



Submitted by Email to: smartmetering@beis.gov.uk

SSE,
Building 5000,
Langstone Technology Park,
Havant,
Hampshire PO9 1SA

17 October 2016

Dear Colleague,

Re SMIP A Consultation on Smart Energy Code and Licence Amendments – September 2016

We welcome the opportunity to respond to this consultation on the proposals for new Smart Energy Code content and Licence Conditions amendments relating to the varied policy proposals.

We continue to be concerned that the proactive Install & Leave process will provide a poor customer experience and increases overall costs to the detriment of the Programme. It is important that the industry arrangements available to Suppliers gaining such installations on customer churn, be fully developed and documented, such that the affected Supplier can understand what is installed and how best to manage the situation.

We understand that there are a number of outstanding issues on Install & Leave that you have documented separately, that you propose to resolve with industry outside of this Consultation. We believe that further work is required before proceeding with legal drafting, particularly for proactive I&L.

With regard to the proposed SEC changes to support SMETS1 Enrolment and Adoption by the DCC, SSE considers the legal drafting proposed by BEIS to be very unhelpful. The drafting should be changed to mandate SSE (and other Supplier Parties) to provide the information requested by the DCC. This would enable Supplier Parties to rely on standard exemptions usually found in non-disclosure/confidentiality clauses in commercial contracts, allowing Supplier Parties to disclose the agreements with their SMSO, without breaching confidentiality.

Please see the attached Annex for our responses and if you have any questions or comments, please do not hesitate to contact me.



Annex 1: SSE response to SMIP Consultation on Smart Energy Code and Licence Amendments – September 2016

Chapter 1: Changes to the Supply Licence Conditions

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.

We continue to be concerned that the I&L process will provide a poor customer experience and increases overall costs to the detriment of the Programme. We therefore seek assurance from BEIS, as indicated, that it will monitor the process, numbers of occurrences and CSP response times so as to intervene if any aspect of the process doesn't meet reasonable expectations. We understand that the DCC / CSPs believe that these will be edge cases and that only a small percentage of such situations will arise.

We consider that there is still a procedural / contractual gap in that if, for whatever reason, a Supplier is unable to install a comms hub on such an installation that the Supplier has no governed process for invoking the SLA such that the DCC will establish a WAN connection to a particular premise. We understand that there are a number of outstanding issues that you have documented separately that you propose to resolve with industry outside of this Consultation.

We agree that the proposed legal drafting reflects your policy intent.

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.

We consider that the implementation of proactive I&L requires further consideration. We agree that the process should not be mandatory but where invoked it seems reasonable to direct what arrangements must be made available to enable Suppliers to manage gained sites where such an installation has been undertaken by a previous Supplier. We must ensure that the DCC systems are capable of:

- providing relevant information to a gaining Supplier such that they may understand the exact situation at the premises; and
- providing the future commissioning process of Devices that have been installed to previous and not necessarily currently supported firmware versions.

Any limitations must be clearly understood and documented to aid the decision making process as to whether to undertake proactive I&L.

It may be that proactive I&L should be considered alongside the obligations for Never WAN (ever) as there would be advantages if the solutions were similar. We should seek a standardised set of processes to service customers with no WAN. Should WAN become



available, in the future, then Suppliers would follow agreed processes and act within agreed timescales to provide customers with the standard Smart Metering arrangements.

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

We consider that further work should be undertaken before proceeding with legal drafting.

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.

Generally, we accept the proposed provisions. Regarding SMETS1 installations that have been enrolled into the DCC we foresee a time when the numbers have reduced to such an extent that they are no longer economically viable to support. At this stage there would need to be a mechanism to incentivise the current suppliers to replace the meter with the then current SMETS version and to allow the relevant support services to be withdrawn. It is not clear whether this has an interaction with the MVP and may be better addressed when the Enrolment and Adoption legal text is produced.

Specific processes need to be developed to manage the exchange of individual Devices where two Suppliers are involved. There are a number of scenarios but, for example, if the electricity service Supplier exchanges the SMETS1 electricity meter for a SMETS2 meter, the gas meter will then fail to communicate. How does the gas Supplier know that a SMETS2 gas meter is now required? This is particularly pertinent if a prepayment service is involved. If the gas meter is the first to be exchanged this will require the introduction of a Hot Shoe to power a comms hub. An IHD could be provided alongside the existing one to provide gas only information. The Programme may suffer reputational damage if such situations are not managed efficiently by industry.

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.

We agree with the legal drafting of the proposed amendment as this will streamline the transfer of information. It clarifies to suppliers that the information sent by their Agents in a change of supplier, will fulfil the requirement of providing a MAP Notice to the gaining supplier.



Chapter 2: Changes to the Smart Energy Code – Testing

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.

We agree with the proposal and associated legal drafting. We believe it is essential to provide for appropriate and proportional testing for any changes made to the DCC Total System, whatever the source.

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.

We agree with the proposal and associated legal drafting. It is essential that all Modification Proposals are properly impact assessed, and this must include any testing which is required. To that end, a test environment must be made available by DCC for this purpose.

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.

We agree with the proposal and associated legal drafting. We consider it essential that new RDPs are subject to the appropriate level of Entry Process testing prior to becoming an active RDP, in order to preserve the integrity of the Registration Data within the DCC Total System.

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.

We believe this is appropriate. It is essential that all relevant parties have access to this testing service in order to preserve the integrity of the Registration Data within the DCC Total System.

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.

We agree with this proposal and associated 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 agree in principle with this proposal, but note that the right of referral to the Panel and finally to the Authority is an absolute requirement. It is possible that the needs of Industry will outweigh the DCC's considerations of practicability and cost effectiveness.

Chapter 3: Changes to the Smart Energy Code – Other

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.

SSE considers the legal drafting proposed by BEIS to be very unhelpful. The drafting should be changed to mandate SSE (and other Supplier Parties) to provide the information requested by the DCC. This would enable Supplier Parties to rely on standard exemptions usually found in non-disclosure/confidentiality clauses in commercial contracts, allowing Supplier Parties to disclose the agreements with their SMSO, without breaching confidentiality.

The proposed drafting empowers the DCC to request “information it deems necessary for the purposes of analysis” (N4A.3). Clearly this would include SSE’s contractual agreement with SSE’s SMSO.

However, section N4A.5 states “no Supplier Party is obliged to provide the information requested, but each Supplier Party acknowledges that failure to do so will result in its Energy Meters being excluded from the Initial Enrolment....”

This is particularly unhelpful to SSE because it means that we are not obligated to provide such information under statute or a regulatory requirement. Standard commercial confidentiality wording will restrict energy suppliers (including SSE) from sharing the contract (and other confidential information), unless the supplier “is required by law or any governmental or other regulatory authority acting in the scope of its power”.

As SSE is not compelled to disclose its SMSO agreement and, under the current proposed SEC drafting (in theory at least) has a choice, SSE would not be able to rely on any of the standard exemptions usually contained in a standard commercial confidentiality clause. This places SSE in an extremely difficult position if it is unable to obtain the consent of its SMSO Service Provider to share any confidential information, and its ability to enrol SMETS 1 Meters with the DCC.



As such, the drafting broadly reflects the intention of the consultation, however, the following points need to be raised on the legal drafting:-

- N4A.1 – Provision should be included for each Supplier Party to have access to the reports to assist and facilitate the enrolment.
- N4A.2 (b) – there should be objective, justifiable reasons to exclude meters. It is not lawful for the SoS to act without objective reason. If it is simply a case of the Energy Supplier not providing the requested information, then this should be linked to N4A.5.
- N4A.2 (d) – it must be made clear that any consultation must be subject to the consultees being bound by confidentiality, especially if they are not a SEC party.
- N4A.5 – The drafting should be changed to mandate SSE (and other Supplier Parties) to provide the information requested by the DCC. This would enable Supplier Parties to rely on the standard commercial exemptions (usually) included in confidentiality clauses, and disclose their SMSO agreements.

We note the provisions regarding confidentiality within Section M of the SEC. However, the protections afforded in the SEC for breach of confidentiality by the DCC would not compensate SSE in any associated claim for breach of confidentiality to its SMSO Service Provider. For example, if SSE was to disclose any confidential information, otherwise than in accordance with its contract provisions, we would potentially be exposed to greater liabilities to our SMSO Service Provider, than SSE would be able to recover from the DCC.

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?

We agree that the proposed legal drafting implements the changes to Ofgem’s SCR powers and reflects the CGR3 Final Decision.

Data Privacy

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

We support the proposed legal text relating to the User Entry Guide and to draw Other Users’ attention to any relevant privacy guidance, and to the reference to the Data Protection Act. This will provide further guidance and highlight additional considerations for



Parties that may not have been exposed to these scenarios in previous engagement with consumers in identifying the relevant 'data subject'.

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.

We agree with the proposal in SEC Section H to include the new clause H3.22A that Parties intending to become Users are required to provide forecasts as if they are Users, where they expect to submit Service Requests. This will support the DCC in their forecasting of Demand and should aid in minimising impacts to the availability and performance of DCC Services for existing Users by the introduction of new Users.

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.

We agree with the proposal to revise the RDP Systems definition and the associated legal drafting.

Changes to the Supply Licence Conditions, the DCC Licence and the SEC to accommodate multiple versions of Technical Specifications and multiple versions of DUIS

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?

We agree with the proposed changes.

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 agree with the proposed changes.

Minor Miscellaneous Changes

Q19 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.

We agree with the proposals and the associated legal drafting.