



Smart Metering Implementation Programme - Regulation
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Smart Metering Implementation Programme - A Consultation on New Smart Energy Code Content

EDF Energy is one of the UK's largest energy companies and is the largest producer of low-carbon electricity. A wholly-owned subsidiary of the EDF Group, one of Europe's largest energy groups, we generate around one fifth of the UK's electricity and employ around 15,000 people. We supply electricity and gas to around 5.8 million residential and business customer accounts, making us the biggest supplier of electricity by volume.

We welcome the opportunity to comment on the proposals and legal text for the Smart Energy Code (SEC) contained within the consultation. The SEC is a fundamental part of the regulatory framework for the roll-out of smart meters and is developing into regulatory document that consists of extensive obligations and protections to industry participants and consumers.

EDF Energy supports the proposal for the DCC to introduce an Informal Testing Service. Robust testing is a fundamental pre-requisite to delivering interoperable devices and systems that enable robust communication with those devices. Allowing testing to commence early, even in a restricted form, will support readiness for DCC go-live, enabling issues to be highlighted and resolved as early as possible in the process.

We are, however, concerned as to the level of engagement that industry parties will have in defining the scope of this Informal Testing Service. This service must meet the needs of all parties who intend to use this as part of their individual testing strategies. We recognise the central role of the DCC in provision of this testing service; however, the DCC should seek feedback from its users when defining the scope and functionality of the service. This will help to ensure that the Informal Testing Service will deliver the intended benefits, reduce the cost of implementation and support achievement of DCC go-live.

EDF Energy believes that robust security arrangements are fundamental to protecting both the smart metering equipment installed in customers' homes and the wider end to end smart metering architecture. The proposals put forward in this consultation are appropriate and we support the ongoing development of a robust governance framework for security obligations. We also support the alignment of the requirements for the first forecast of communications hubs orders with those for subsequent forecasts and agree with the minor changes proposed to the licence conditions on information requirements.

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Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact

I confirm that this letter and its attachment may be published on DECC's website.

Yours sincerely,

Attachment

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EDF Energy's response to your questions

Notifying new commencement dates for SEC testing phases

- Q1. Do you agree with our proposal and legal drafting to introduce into the SEC a mechanism for the Secretary of State to request from the DCC a new commencement date for SIT, IT, E2E or SRT Testing? Please provide a rationale for your response.**

We understand the need for expediency when revising commencement dates. However, any revised changes should be subject to formal governance including appropriate consultation with industry parties. The degree of change to commencement dates should define the level of consultation required.

For example, if any date change is more than one month, or has been previously changed within the past three months, then a formal industry consultation and inclusion of SEC panel approval should be required. For changes within such criteria, using the Test Design & Execution Group (TDEG) for advance notifications and invitation to comment within a reasonable time period may suffice, followed by formal review at the IMF to agree amendment to the Joint Industry plan.

Failure to define such a consultation process would only leave prospective DCC users with the SEC disputes resolution process, which we believe should only be used if pre-defined governance is not seen by parties to have been followed.

EDF Energy therefore agrees with the proposal to introduce flexibility to the commencement dates of relevant test phases without the need to amend the SEC, provided this is subject to suitable governance. We believe that there must be a robust mechanism to ensure that any such changes deliver the best outcome for DCC users.

- Q2. Do you agree with the proposed provisions for informal testing in the SEC? Please provide a rationale for your views.**
- a) Whether you agree with the strength of the obligation on DCC to offer the service**
 - b) Whether you agree that DCC can determine the detailed rules to apply to use of the service and**

EDF Energy broadly agrees with the proposed obligation on the DCC to provide informal testing. However, our support is subject to the 'Guide to Users' that the DCC have committed to produce including a full list of services, detail of test environment(s), clear timelines, and that any requirements placed upon users of the service are clear. We also believe that the date by which such a guide must be published by the DCC should be specified and be sufficiently in advance of the commencement of informal testing.

Q3. Do you agree with the proposed SEC amendments for informal testing as set out in the letter of direction? Please provide a rationale for your views

EDF Energy broadly agrees with the proposed SEC amendments for informal testing as set out in the letter of direction. However, we have the following comments on specific aspects of the text.

The consultation document indicates that the 'GFI' is intended be used to test the interoperability of devices, as defined in section H14.31(a) of the SEC. However, the 'GFI' is an as yet untested product, and it is not clear whether this will enable such testing. Whilst we understand the need for 'GFI' to be enabled via the SEC, it should be recognised that GFI is an emulation tool and may not achieve the intent specified on section H14.31(a).

We are also concerned that parts 4(c) and 4(d) of the letter of direction refer to the DCC determining the scope of testing functionality and obligations on testing participants respectively. We do not believe that it is appropriate for the DCC to be able to make such determinations unilaterally and without some level of consultation with its users.

We also note that part 4(d) of the letter of direction refers to compliance with the Enduring Testing Approach Document. As this document has not yet been issued, we are not currently able to verify that the content is appropriate in relation to the provision of informal testing.

DCC Key Infrastructure Policy Management Authority (DCCKI PMA)

Q4. Do you agree with our proposals and legal text in relation to the DCCKI PMA Function? Please provide a rationale for your response.

EDF Energy has considered both the drawbacks and benefits of separated Policy Management Authorities and has not identified a strong rationale to sway the argument one way or the other. We are therefore content with DECC's proposal that a separate set of governance arrangements is established to enable a DCC PMA to oversee DCCKI, as part of its overall PKI implementation. We also support the proposal that the SMKI PMA's oversight includes:

- Reviewing the effectiveness of the DCCKI Document Set; and
- Proposing changes to the DCC where it considers these must be made for the DCC to meet its obligations as specified in Section G.

Q5. Do you agree that, for the purposes of transition, any proposed modification to the SEC proposed by the DCC in the interest of continuing to comply with the SEC Objectives and its obligations under Section G (Security) should be directed to the Secretary of State? Please provide a rationale for your response.

EDF Energy agrees with the proposal that, for the purposes of transition, any proposed modification to the SEC proposed by the DCC in the interest of continuing to comply with

the SEC Objectives and its obligations under Section G (Security) should be directed to the Secretary of State. This approach will ensure that security modifications, initiated during the implementation and testing phases, are shared in the public domain. It will also promote transparency and avoid any unforeseen impacts from changes that have not been notified and approved.

Changes to when Communications Hubs can be ordered

Q6. Do you agree that the period for the submission of the first forecasts of communications hubs orders by SEC Parties should be aligned with those for subsequent forecasts, such that the initial forecast is submitted during the month ending 10 months in advance of the relevant delivery month?

We accept the December 2015 date for DCC live operations is no longer feasible and that therefore November 2015 as the Communications Hubs initial delivery date to Parties is not achievable.

EDF Energy supports the period for the submission of the first forecasts of communications hubs orders to be aligned with those for subsequent forecasts, such that the initial forecast is submitted during the month ending 10 months in advance of the relevant delivery month i.e. the 11th month before Delivery Date.

EDF Energy supports DECC's intention that Communications Hubs are delivered to Parties one month prior to 'DCC live' so that they have sufficient time to commence installation to coincide with DCC live operations.

Minor consequential change to electricity and gas supply licences

Q7. Do you agree with the consequential changes we are proposing to electricity and gas supply licence conditions on information requirements by Ofgem for monitoring and evaluation?

EDF Energy agrees with the consequential changes that are proposed to the electricity and gas supply licence conditions. We recognise the changes are only to correct the unintentional effect of previous changes made, and are not a material change to the obligations. This does, however, highlight the need for the consequential impacts of all changes to be appropriately assessed prior to implementation. We would recommend that the process for doing this is reviewed and lessons learnt to mitigate the risk of similar issues in the future.

**EDF Energy
February 2015**