

**ENERGY**  
**SMART METERS**  
**DRAFT MODIFICATIONS TO THE SMART ENERGY CODE (SMART METERS No. 5 of**  
**2017)**

Presented to Parliament pursuant to section 89 of the Energy Act 2008



*Draft modifications to the Smart Energy Code laid before Parliament under section 89(3) of the Energy Act 2008; draft to lie for forty days pursuant to section 89(4) of that Act, during which period either House of Parliament may resolve that the modifications to the Smart Energy Code not be made.*

## **ENERGY**

### **SMART METERS**

#### **DRAFT MODIFICATIONS TO THE SMART ENERGY CODE (SMART METERS No. 5 of 2017)**

The Secretary of State makes the following modifications to the Smart Energy Code in exercise of the powers conferred by section 88(1) of the Energy Act 2008 ("the Act").

The Secretary of State has consulted the Gas and Electricity Markets Authority and such other persons as the Secretary of State considered appropriate in accordance with section 89(1) of the Act.

A draft of these modifications has been laid before Parliament in accordance with section 89(3) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 89(4) of the Act, that the Secretary of State should not make the modifications.

#### **Interpretation**

1 In these modifications –

- (a) "Smart Energy Code" means the document of that title required to be maintained and in force in accordance with condition 21 of the smart meter communication licences; and
- (b) "smart meter communication licences" means –
  - (i) the licence granted to Smart DCC Limited on 20 September 2013 pursuant to sections 7AB(2) and (4) of the Gas Act 1986; and
  - (ii) the licence granted to Smart DCC Limited on 20 September 2013 pursuant to sections 6(1A) and (1C) of the Electricity Act 1989.

#### **Modifications to the Smart Energy Code**

2 The Smart Energy Code is modified, in accordance with paragraph 3 below, with effect from the day after the day on which this instrument is made.

3 In Section A –

(a) in Section A1, in Section A1.1 –

(i) insert, in alphabetical order, the following new definitions –

**"Alternative Installation End Date** has the meaning given to that expression in Section A4.2(c) (Derogations).

**Derogation** has the meaning given to that expression at

Section A4.2.

**General Installation End Date** has the meaning given to that expression in Section A3.13.";

- (ii) in the definition of Applicability Period, after "that expression in" delete "Section A3.26(d)" and insert "Section A3.29(d)";
  - (iii) in the definition of Maintenance End Date, after "that expression in" delete "Section A3.16(b)" and insert "Section A3.19(b)";
  - (iv) in the definition of Maintenance Start Date, after "that expression in" delete "Section A3.16(a)" and insert "Section A3.19(a)";
  - (v) in the definition of Maintenance Validity Period, after "that expression in" delete "Section A3.15" and insert "Section A3.18";
  - (vi) in the definition of Parse and Correlate Applicability Matrix, after "that expression in" delete "Section A3.35" and insert "Section A3.38";
  - (vii) in the definition of Principal Version, in sub-paragraph (b) of the definition, after "the provisions of" delete "Section A3.23" and insert "Section A3.26";
  - (viii) in the definition of Sub-Version, in sub-paragraph (b) of the definition, after "the provisions of" delete "Section A3.23" and insert "Section A3.26";
  - (ix) in the definition of TS Applicability Tables, after "content described at" delete "Section A3.29" and insert "Section A3.32"; and
  - (x) in the definition of Version, in sub-paragraph (b) of the definition, after "that expression in" delete "Section A3.22" and insert "Section A3.25";
- (b) in Section A3 –
- (i) in Section A3.12(b), after "**Installation End Date**" delete "that may be identified in relation to that Version of the Technical Specification in the TS Applicability Tables." and insert "determined in accordance with Sections A3.13 to A3.15.";
  - (ii) after existing Section A3.12, insert a new heading and new Sections A3.13 to A3.15 as follows –

**"The Installation End Date**

A3.13 In the case of each Version of the SMETS with a Principal Version number of 1, the Installation End Date shall, except where Section A3.14 applies, be the date which is identified in relation to that Version of the SMETS in the TS Applicability Tables (the "**General Installation End Date**").

A3.14 This Section applies where a Derogation is granted to a Supplier Party in accordance with Section A4 (Derogation from SMETS1 General Installation End Date) and has not been revoked, in which case:

(a) for the purposes of the installation or provision by or on behalf of that Supplier Party of any Device or apparatus; and

(b) in so far as any conditions of that Derogation are satisfied,

the Installation End Date shall be the Alternative Installation End Date specified in the Derogation.

A3.15 In the case of each Version of the SMETS with a Principal Version number greater than 1, the Installation End Date shall be the date that may be identified in relation to that Version of the Technical Specification in the TS Applicability Tables.";

- (iii) renumber existing Sections A3.13 to A3.40 as Sections A3.16 to A3.43 respectively;
- (iv) in renumbered Section A3.24, after "in accordance with" delete "Section A3.20" and insert "Section A3.23";
- (v) in renumbered Section A3.26(b)(ii), before "shall be interpreted accordingly" delete "Section A3.35" and insert "Section A3.38";
- (vi) in renumbered Section A3.27, after "The provisions of" delete "Sections A3.18 to A3.21" and insert "A3.21 to A3.24";
- (vii) in renumbered Section A3.32(b) –
  - (A) after existing Section A3.32(b)(i), insert new Section A3.32(b)(ii) as follows –

"(ii) in the case of each Version of the SMETS with a Principal Version number of 1, the General Installation End Date that has been assigned to it;"
  - (B) renumber existing Sections A3.32(b)(ii) to A3.32(b)(vi) as Sections A3.32(b)(iii) to A3.32(b)(vii) respectively; and
  - (C) in renumbered Section A3.32(b)(iii), before "any Installation End Date" insert "in the case of each other Version of the SMETS,";
- (viii) in renumbered Section A3.34, after "the means described in" delete "Section A3.30" and insert "Section A3.33";

- (ix) in renumbered Section A3.35, delete existing renumbered Section A3.35(a) and insert new Section A3.35(a) as follows –
  - "(a) Installation Validity Period of any Version of a Technical Specification, other than in any case where both:
    - (i) it is a Version of the SMETS with a Principal Version number of 1; and
    - (ii) a Derogation has been granted to any Supplier Party in accordance with Section A4 (Derogation from SMETS1 General Installation End Date), and has not been revoked, specifying an Alternative Installation End Date in respect of that Version of the SMETS;"
- (x) in renumbered Section A3.40, after "for the purpose of complying with" delete "Section A3.36" and insert "Section A3.39"; and
- (xi) in renumbered Section A3.43 –
  - (A) after "definitions of 'Principal Version'," delete "'Sub Version'" and insert "'Sub-Version'";
  - (B) after "Sections A2 (Interpretation)" delete "and" and insert a comma ","; and
  - (C) after "the CPA Security Characteristics)" insert "and A4 (Derogation from SMETS1 Generation Installation End Date)"; and
- (c) after existing Section A3, insert a new Section A4 as follows –

**"A4 DEROGATION FROM SMETS1 GENERAL INSTALLATION END DATE**

**Introduction**

A4.1 This Section A4 makes provision for the Secretary of State to grant to any Supplier Party, on the application of that Party, a derogation from the General Installation End Date applicable to Versions of the SMETS with a Principal Version number of 1.

**Part A. Derogations**

A4.2 For the purposes of this Section A4, a “**Derogation**” means a direction issued by the Secretary of State:

- (a) to the Supplier Party which applied for it;
- (b) in respect of a Version of the SMETS with a Principal Version number of 1;

- (c) specifying a date subsequent to the General Installation End Date in respect of that Version of the SMETS (the “**Alternative Installation End Date**”), which will, for the purposes of the installation or provision of Devices or apparatus by or on behalf of the Supplier Party in accordance with any conditions of the Derogation, constitute the Installation End Date;
- (d) specifying any such conditions to which the Derogation is subject.

#### **Part B. Power to Grant a Derogation**

A4.3 The Secretary of State may grant a Derogation to any Supplier Party where:

- (a) that Supplier Party has applied for a Derogation in accordance with Part D;
- (b) that application complies with any requirements as to form or content set out in a statement issued in accordance with Part E;
- (c) in the opinion of the Secretary of State, that application satisfies any criteria set out in a statement issued in accordance with Part E; and
- (d) the Supplier Party has complied with all such other requirements as may apply to it in accordance with Part E.

#### **Part C. Conditions of a Derogation**

A4.4 A Derogation may be subject to such conditions (if any) as the Secretary of State thinks reasonable in all the circumstances of the case.

A4.5 The conditions to which a Derogation is subject may in particular include conditions which, in respect of the period that begins immediately after the General Installation End Date and ends on the Alternative Installation End Date of the Version of the SMETS to which the Derogation relates:

- (a) place a limit on the quantity of Devices or apparatus which may be installed or provided by or on behalf of the Supplier Party to which the Derogation is granted;
- (b) restrict the type of Devices or apparatus that may be installed or provided by or on behalf of that Supplier Party;
- (c) make provision as to the circumstances in, or premises at, which such Devices or apparatus may be installed or provided by or on behalf of that Supplier Party;
- (d) place requirements on that Supplier Party to take, or refrain from taking, any specified action in relation to the installation or provision of any Devices or apparatus.

#### **Part D. Applications for a Derogation**

A4.6 Any Supplier Party may apply to the Secretary of State for a Derogation.

A4.7 The Secretary of State may determine, and in that case shall give all Supplier Parties a notice of, a date by which any application for a Derogation must be received by him.

A4.8 A Supplier Party may not apply for a Derogation after any date that is determined and included in a notice given in accordance with Section A4.7.

#### **Part E. Statement of Requirements**

A4.9 The Secretary of State may determine, and publish a statement of:

- (a) the criteria against which any application for a Derogation is to be assessed by him;
- (b) any requirements as to the form and content of any such application;
- (c) any information or evidence which must be provided by a Supplier Party on making such an application;
- (d) any timetable which applies to steps to be taken by the Supplier Party or by the Secretary of State in respect of such an application;
- (e) such other matters which relate to the making of any such application or to the process for assessing it as the Secretary of State may consider appropriate;
- (f) such matters which relate to the decision whether to grant a Derogation on the receipt of an application, or to the conditions to be applied to that Derogation, as the Secretary of State may consider appropriate.

A4.10 A Supplier Party which applies for a Derogation shall:

- (a) comply with any requirements applicable to it which are set out in a statement published in accordance with Section A4.9; and
- (b) provide to the Secretary of State, by such time and in such form as he may reasonably specify in a notice given to that Supplier Party, such additional information or evidence as he may at any time reasonably require for the purpose of assessing the application.

#### **Part F. Actions before this Section Comes into Force**

A4.11 Where, prior to the coming into effect of this Section A4:

- (a) a Supplier Party makes any application:

- (i) that it would be entitled to make under this Section A4 after it has come into force; and
  - (ii) in respect of that application, has complied with the requirements of this Section A4 as if they had already come into force;
- (b) the Secretary of State takes any action that he would be entitled to take under this Section A4 after it has come into force,

each of those actions shall be treated as actions taken and having effect under this Section A4 on the date on which it comes into force.

#### **Part G. Amendments after this Section Comes into Force**

A4.12 Where the Secretary of State has determined, and given all Supplier Parties notice of, a date in accordance with Section A4.7, he may subsequently (whether before or after that date has passed) determine and give all Supplier Parties notice of a later date.

A4.13 Any date determined and included in a notice given in accordance with Section A4.12 shall have effect for the purposes of Section A4.7 in replacement for the date that was previously determined by the Secretary of State.

A4.14 The Secretary of State may at any time:

- (a) amend any statement published in accordance with Section A4.9, in which case the amended statement shall have effect for the purposes of Section A4.10 in replacement for the one that was previously published;
- (b) in respect of the Derogation granted to any Supplier Party, vary:
  - (i) the Alternative Installation End Date, by specifying a date later than that previously specified;
  - (ii) any conditions to which the Derogation is subject, by imposing new or amended conditions.

A4.15 The Secretary of State may exercise the powers set out at Sections A4.12 and A4.14 on more than one occasion.

#### **Part H. Revocation of Derogations**

A4.16 The Secretary of State may at any time, by notice to the Supplier Party to which it was granted, revoke any Derogation granted by him in accordance with this Section A4.

#### **Part I. Effect of a Derogation**

A4.17 Where a Derogation is granted to a Supplier Party in accordance with this Section A4 and has not been revoked, then:

- (a) for the purposes of the installation or provision by or on behalf of that Supplier Party of any Device or apparatus; and
- (b) in so far as any conditions of that Derogation are satisfied,

the Alternative Installation End Date specified in the Derogation shall have effect in accordance with Section A3.14 (The Installation End Date).

#### **Part J. Publication of Derogations**

A4.18 Where the Code Administrator is provided by the Secretary of State with a copy of a Derogation that has been granted by him to a Supplier Party, it shall:

- (a) maintain a copy of that Derogation on the Website;
- (b) if it is notified by the Secretary of State that the Derogation has been amended and provided by him with a copy of the amended Derogation, publish and maintain a copy of that amended Derogation on the Website;
- (c) if it is notified by the Secretary of State that the Derogation has been revoked, publish on the Website, together with that Derogation, a statement of the fact that it has been revoked and the date of its revocation.

A4.19 For the purposes of Section A4.18, any reference to a copy of a Derogation provided to the Code Administrator by the Secretary of State shall, where that copy has been redacted by the Secretary of State to exclude any commercially sensitive information, be treated as a reference to the copy of that Derogation in its redacted form."

*Name*

Parliamentary Under-Secretary of State

Date:

Department for Business, Energy and Industrial Strategy