



Department for
Business, Energy
& Industrial Strategy

SMART METER POLICY FRAMEWORK POST 2020 CONSULTATION

Annex 6: Consequential changes to standard
conditions



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Condition 42: The Smart Energy Code (Gas Supply) – Proposed Modifications

Party to the Code

42.1 The licensee must:

- (a) by no later than the Commencement Date, be a party to the Smart Energy Code; and
- (b) thereafter remain a party to and comply with the Smart Energy Code.

Derogation

42.2 The Authority, following consultation with the licensee and where appropriate any other person likely to be materially affected and after having regard to any guidance issued by it in accordance with paragraph 42.3, may give a direction ('a **derogation**') to the licensee that relieves it of its obligations under the Smart Energy Code in respect of such parts of the Smart Energy Code, to such extent, for such period of time and subject to such conditions as may be specified in the direction.

42.3 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraph 42.2.

42.4 The guidance issued in accordance with paragraph 42.3 may, in particular, set out:

- (a) the process for requesting the Authority to grant a derogation under paragraph 42.2;
- (b) the type of information that is likely to be required by the Authority as part of that process; and

- (c) the criteria the Authority would have regard to in considering whether and to what extent to exercise its power to give a direction under paragraph 42.2.

DCC User – Large Energy Suppliers

42.5 Paragraph 42.6 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 42.1;
- (b) supplies gas to Domestic Premises; and
- (c) supplied, or together with its Affiliate Licensees jointly supplied, (whether with gas, or electricity, or both) at least 250,000 Domestic Energy Premises on 15 February 2015.

42.6 Where this paragraph applies, the licensee must become a DCC User by no later than 16 February 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph).

DCC User – Other Energy Suppliers

42.7 Paragraph 42.8 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 42.1;
- (b) supplies gas to Domestic Premises or Designated Premises; and
- (c) is not subject to the requirements of paragraph 42.6.

42.8 Where this paragraph applies and either:

- (a) the licensee supplies gas to any Domestic Premises on or after 17 August 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph); or
- (b) the licensee supplies gas to any Designated Premises on or after 31 August 2018 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph),

the licensee must be a DCC User, except in the circumstances described in paragraph 42.9.

42.9 The requirement in paragraph 42.8 does not apply where:

- (a) the licensee does not supply gas to any Domestic Premises; and
- (b) each of the Designated Premises supplied with gas by the licensee is a premises in respect of which:
 - (i) any one (or more) of paragraphs 33.3, 33.4, 33.5 or 33.6 of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance) apply; ~~or~~
 - (ii) any one (or more) of paragraphs 33.10, 33.11, 33.12 or 33.13 of standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance) apply; ~~or~~
 - (iii) on or after 1 January 2021, the Gas Meter installed or arranged to be installed at the Designated Premises is a Large Gas Meter or an Advanced Meter.

Interpretation

42.10 For the purposes of this Condition the licensee's obligation to comply with the Smart Energy Code is an obligation to comply with the provisions of the Smart Energy Code so far as they are applicable to the licensee.

Definitions

42.11 In this Condition:

Commencement Date

means:

- (a) the date which is the SEC Designated Date;
- or

- (b) the date on which the licensee first starts to supply gas to any Domestic Premises or Designated Premises under this licence, whichever is the later.

DCC User

means a User in the User Role of Gas Supplier (where 'User', 'User Role' and 'Gas Supplier' all have the meanings given to them from time to time in the Smart Energy Code).

Domestic Energy Premises

means premises which:

- (a) with respect to the supply of gas, are Domestic Premises; or
- (b) with respect to the supply of electricity, satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.

Condition 48: The Smart Energy Code (Electricity Supply) – Proposed modifications

Party to the Code

48.1 The licensee must:

- (a) by no later than the Commencement Date, be a party to the Smart Energy Code; and
- (b) thereafter remain a party to and comply with the Smart Energy Code.

Derogation

48.2 The Authority, following consultation with the licensee and where appropriate any other person likely to be materially affected and after having regard to any guidance issued by it in accordance with paragraph 48.3, may give a direction ('a **derogation**') to the licensee that relieves it of its obligations under the Smart Energy Code in respect of such parts of the Smart Energy Code, to such extent, for such period of time and subject to such conditions as may be specified in the direction.

48.3 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraph 48.2.

48.4 The guidance issued in accordance with paragraph 48.3 may, in particular, set out:

- (a) the process for requesting the Authority to grant a derogation under paragraph 48.2;
- (b) the type of information that is likely to be required by the Authority as part of that process; and

- (c) the criteria the Authority would have regard to in considering whether and to what extent to exercise its power to give a direction under paragraph 48.2.

DCC User – Large Energy Suppliers

48.5 Paragraph 48.6 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 48.1;
- (b) supplies electricity to Domestic Premises; and
- (c) supplied, or together with its Affiliate Licensees jointly supplied, (whether with electricity, or gas, or both) at least 250,000 Domestic Energy Premises on 15 February 2015.

48.6 Where this paragraph applies, the licensee must become a DCC User by no later than 16 February 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph).

DCC User – Other Energy Suppliers

48.7 Paragraph 48.8 applies where the licensee:

- (a) is a party to the Smart Energy Code in accordance with paragraph 48.1;
- (b) supplies electricity to Domestic Premises or Designated Premises; and
- (c) is not subject to the requirements of paragraph 48.6.

48.8 Where this paragraph applies and either:

- (a) the licensee supplies electricity to any Domestic Premises on or after 17 August 2017 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph); or

- (b) the licensee supplies electricity to any Designated Premises on or after 31 August 2018 (or such later date as may be specified in a direction issued by the Secretary of State under this paragraph),

the licensee must be a DCC User, except in the circumstances described in paragraph 48.9.

48.9 The requirement in paragraph 48.8 does not apply where:

- (a) the licensee does not supply electricity to any Domestic Premises; and
- (b) each of the Designated Premises supplied with electricity by the licensee is a premises in respect of which:
 - (i) any one (or more) of paragraphs 39.3, 39.4, 39.5 or 39.6 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance) apply; ~~or~~
 - (ii) any one (or more) of paragraphs 39.10, 39.11, 39.12 or 39.13 of standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance) apply; **or**
 - (iii) **on or after 1 January 2021, the Electricity Meter installed or arranged to be installed at the Designated Premises is a Current Transformer Electricity Meter or an Advanced Meter.**

Interpretation

48.10 For the purposes of this Condition the licensee's obligation to comply with the Smart Energy Code is an obligation to comply with the provisions of the Smart Energy Code so far as they are applicable to the licensee.

Definitions

48.11 In this Condition:

| | |
|---------------------------------|---|
| Commencement Date | means: <ul style="list-style-type: none"> (c) the date which is the SEC Designated Date; or (d) the date on which the licensee first starts to supply electricity to any Domestic Premises or Designated Premises under this licence, whichever is the later. |
| DCC User | means a User in the User Role of Import Supplier (where 'User', 'User Role' and 'Import Supplier' all have the meanings given to them from time to time in the Smart Energy Code). |
| Domestic Energy Premises | means premises which: <ul style="list-style-type: none"> (a) with respect to the supply of electricity, are Domestic Premises; or (b) with respect to the supply of gas, satisfy the definition of 'Domestic Premises' at standard condition 6 of the Gas Supply Licence. |
| SEC Designated Date | means the date the Smart Energy Code is designated by the Secretary of State in a direction given for the purposes of Condition 22 of the DCC Licence. |
| SEC Designated Date | means the date the Smart Energy Code is designated by the Secretary of State in a direction given for the purposes of Condition 22 of the DCC Licence. |

Condition 49 Smart Metering – The Alt HAN Arrangements (Gas Supply) – Proposed Modifications

Introduction

49.1 This condition provides for specified holders of electricity and gas supply licences (acting collectively) to ensure the availability of services to facilitate the installation and operation of equipment that will enable the extension of the HAN at relevant premises such that it:

- (a) extends into a relevant part of the premises; and
- (b) enables communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at those premises,

where one or both of those things cannot otherwise be achieved, after taking reasonable steps to do so, by means of equipment provided by the DCC in accordance with the Smart Energy Code.

Principal Obligations

49.2 Where the licensee is a Relevant Supplier it must, in conjunction and co-operation with all other Relevant Suppliers, ensure that:

- (a) the Alt HAN Activities are carried out; and
- (b) the Alt HAN Services are made available to all Relevant Suppliers and are provided on reasonable terms to any Relevant Supplier which has elected to acquire them.

49.3 For the purposes of paragraph 49.2(a), the Alt HAN Activities may be carried out by means of one of the following (or a combination of both of them):

- (a) those activities being undertaken by or on behalf of all Relevant Suppliers; and/or
- (b) the acquisition, by or on behalf of all Relevant Suppliers, of services which comprise or form a part of those activities.

49.4 For the purposes of paragraph 49.2(b), the Alt HAN Services may be made available and provided to a Relevant Supplier by means of one of the following (or a combination of them):

- (a) the acquisition of the capability to provide those services, and their provision to that Relevant Supplier, by or on behalf of all Relevant Suppliers;
- (b) the procurement, by or on behalf of all Relevant Suppliers, of the availability of those services from a third party, and their subsequent provision by that third party to the Relevant Supplier; and/or
- (c) the entering into, by or on behalf of all Relevant Suppliers, of such arrangements for the financing of the costs of the services as are reasonably required for the purposes of ensuring the availability and provision of those services.

49.5 Where the licensee is a Relevant Supplier it must:

- (a) take all reasonable steps to ensure that the Alt HAN Activities are carried out and the Alt HAN Services provided:
 - (i) by means of its participation in the arrangements set out at Section Z of the Smart Energy Code; and
 - (ii) in a manner that is both economic and efficient; and
- (b) ensure that the costs of the Alt HAN Activities and Alt HAN Services (by whatever means they are carried out, made available and provided) are recovered by means of the provisions for their recovery set out at Section Z of the Smart Energy Code.

Alt HAN Activities

49.6 For the purposes of this condition, the **Alt HAN Activities** means activities which:

- (a) are designed to determine which premises or groups of premises may benefit from the installation of Alt HAN Equipment;
- (b) involve the establishment and maintenance of a database of such premises;
- (c) are designed to establish which types of Alt HAN Equipment are likely to be the most cost-effective;
- (d) comprise the development, design, design assurance, prototype production, testing and configuration of Shared Solution Alt HAN Equipment;
- (e) comprise:
 - (i) the development, design and design assurance of Point-to-Point Alt HAN Equipment; and
 - (ii) to the extent to which it is economic and efficient to do so, the prototype production, testing and configuration of Point-to-Point Alt HAN Equipment;
- (f) may, for the purposes of paragraphs (a) to (e), involve the undertaking of pilot projects in relation to Alt HAN Equipment at premises;
- (g) involve the establishment and maintenance of a database which includes data in respect of:
 - (i) Alt HAN Equipment which has been installed at premises in accordance with the arrangements set out at Section Z of the Smart Energy Code, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already

- installed or to be installed) which are capable of using such equipment;
 - (ii) all other Alt HAN Equipment which has been installed at premises, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment; and
 - (iii) where Alt HAN Equipment of the type referred to in sub-paragraph (ii) has been installed at premises, whether, at any given time, an Energy Supplier has elected to use that equipment;
- (h) include such arrangements for the financing of the costs of any of the activities referred to in paragraphs (a) to (g) as are reasonably required for the purposes of ensuring the undertaking of, or acquiring of services which comprise or form part of, those activities; and
- (i) include the obtaining of such legal, managerial, technical, financial, risk management or other professional services as are reasonably required for the purpose of:
- (i) undertaking, or acquiring services which comprise, any of the activities referred to in paragraphs (a) to (h); and
 - (ii) making available and providing the Alt HAN Services (including in particular the obtaining of services for the purpose of putting in place financing arrangements of the type referred to in paragraph 49.4(c)).

The Alt HAN Services

49.7 For the purposes of this condition, the **Alt HAN Services** means:

- (a) the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Shared Solution Alt HAN Equipment;

- (b) to the extent to which it is economic and efficient to do so, the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Point-to-Point Alt HAN Equipment;
- (c) the provision of information and support in relation to each of the services referred to in paragraphs (a) to (b).

The Alt HAN Equipment

49.8 For the purposes of this condition, the **Alt HAN Equipment** means such equipment and apparatus as would be required by a Relevant Supplier in order to ensure that, in relation to any SMETS2+ Smart Metering System at a Relevant Premises, the HAN:

- (a) extends into at least one part of that Relevant Premises as described in standard condition 43.4(c)(i) (Smart Metering System – Operational Requirement); and
- (b) permits communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at that Relevant Premises,

where the Relevant Supplier would otherwise be unable, having taken all reasonable steps, to achieve either or both of those things by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

Relevant Premises

49.9 For the purposes of this condition, **Relevant Premises** means, in respect of a Relevant Supplier, any premises:

- (a) at which it is the Relevant Electricity Supplier or Relevant Gas Supplier (as the case may be);
- (b) at which there is, or is to be, installed a SMETS2+ Smart Metering System; and
- (c) which is not Exempt Premises.

Exempt Premises

49.10 For the purposes of this condition, **Exempt Premises** means any premises specified in, or falling within a description of premises specified in, the Exempt Premises List.

49.11 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, establish and maintain the Exempt Premises List in accordance with this condition.

Exempt Premises List

49.12 For the purposes of this condition, the **Exempt Premises List** means a list which specifies premises or descriptions of premises in respect of which, for one of the reasons specified in paragraph 49.13, the HAN need not either:

- (a) extend into at least one part of the premises as described in standard condition 43.4(c)(i) (Smart Metering System – Operational Requirement); or
- (b) permit communications to be made between the parts of a SMETS2+ Smart Metering System, or between part of a SMETS2+ Smart Metering System and another SMETS2+ Smart Metering System at the premises.

49.13 The reasons specified in this paragraph are that the HAN need not have the specified capabilities because:

- (a) it would be technically impracticable for it to do so; or
- (b) though technically practicable, it could only be achieved at disproportionate cost,

in either case in consequence of the physical or other characteristics of, or any other relevant consideration with respect to, the specified premises.

49.14 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, and prior to making available or providing any Alt HAN Services:

- (a) provide a draft of the Exempt Premises List to the Secretary of State;
- (b) together with that draft, provide to the Secretary of State information as to:
 - (i) the different service levels capable of being achieved by Alt HAN Equipment of different types or qualities;
 - (ii) the respective costs of manufacturing, providing, installing, operating, maintaining, modifying and decommissioning such different types or qualities of Alt HAN Equipment;
- (c) provide to the Secretary of State all such further information related to the Alt HAN Activities or Alt HAN Services as she may request;
- (d) make such changes to the draft Exempt Premises List as the Secretary of State may (following consultation with such persons as she considers appropriate) direct; and
- (e) obtain the approval of the Secretary of State to the Exempt Premises List.

49.15 The Exempt Premises List shall be treated as established for the purposes of this condition only when it has been approved by the Secretary of State.

49.16 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, by means of participation in the arrangements set out at Section Z of the Smart Energy Code:

- (a) review the Exempt Premises List at least once in each year following the Secretary of State's approval; and
- (b) propose to the Secretary of State such revisions of the Exempt Premises List (if any) as may be necessary or appropriate in the light of the review.

49.17 The Secretary of State may, whether after receiving proposed revisions from the Relevant Suppliers or at any other time, and following consultation with all Relevant Suppliers and such other persons as she considers appropriate, revise the Exempt Premises List in such manner, with effect from such time, and to such extent as she may specify.

49.18 The Secretary of State may, by means of a direction in accordance with this paragraph issued to the Authority and all Relevant Suppliers, provide that:

(a) any duty of the licensee under paragraph 49.14 or 49.16 expressed to be by reference to the Secretary of State and identified in the direction; or

(b) any function of the Secretary of State under paragraph 49.14, 49.16 or 49.17 identified in the direction,

shall, from such date as she may specify, be treated as a duty expressed by reference to, or a function exercisable by, the Authority in substitution for the Secretary of State.

49.19 The licensee must provide a copy of the Exempt Premises List to any person who requests it.

49.20 For the purposes of the approval of the Exempt Premises List or any subsequent revision of it by the Secretary of State or Authority in accordance with this condition, any question arising under paragraph 49.13 as to whether the HAN could have the specified capabilities only at disproportionate cost shall be determined by the Secretary of State or Authority (as the case may be) in such manner and by reference to such factors as she or it considers appropriate.

Definitions

49.21 In this condition:

Alt HAN Activities

has the meaning given to it in paragraph 49.6

| | |
|--|---|
| Alt HAN Equipment | has the meaning given to it in paragraph 49.8. |
| Alt HAN Services | has the meaning given to it in paragraph 49.7. |
| Energy Supplier | means a person Authorised by an Electricity Supply Licence to supply electricity or a Gas Supply Licence to supply gas. |
| Exempt Premises | has the meaning given to it in paragraph 49.10. |
| Exempt Premises List | has the meaning given to it in paragraph 49.12. |
| Point-to-Point Alt HAN Equipment | means equipment which fulfils the function of Alt HAN Equipment in respect of only one Relevant Premises. |
| Relevant Premises | has the meaning given to it in paragraph 49.9. |
| Relevant Supplier | <p>means an Energy Supplier which is required in accordance with:</p> <ul style="list-style-type: none"> (a) standard condition 39 of an Electricity Supply Licence or standard condition 33 of a Gas Supply Licence; or to install a Smart Metering System at any premises. (b) standard condition 39A of an Electricity Supply Licence or standard condition 33A of a Gas Supply Licence, <p>to install a Smart Metering System or a Qualifying Metering System at any premises.</p> |
| Shared Solution Alt HAN Equipment | means equipment which fulfils the function of Alt HAN Equipment in respect of more than one Relevant Premises. |

Condition 55. Smart Metering – The Alt HAN Arrangements (Electricity Supply) – Proposed Modifications

Introduction

55.1 This condition provides for specified holders of electricity and gas supply licences (acting collectively) to ensure the availability of services to facilitate the installation and operation of equipment that will enable the extension of the HAN at relevant premises such that it:

- (a) extends into a relevant part of the premises; and
- (b) enables communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at those premises,

where one or both of those things cannot otherwise be achieved, after taking reasonable steps to do so, by means of equipment provided by the DCC in accordance with the Smart Energy Code.

Principal Obligations

55.2 Where the licensee is a Relevant Supplier it must, in conjunction and co-operation with all other Relevant Suppliers, ensure that:

- (a) the Alt HAN Activities are carried out; and
- (b) the Alt HAN Services are made available to all Relevant Suppliers and are provided on reasonable terms to any Relevant Supplier which has elected to acquire them.

55.3 For the purposes of paragraph 55.2(a), the Alt HAN Activities may be carried out by means of one of the following (or a combination of both of them):

- (a) those activities being undertaken by or on behalf of all Relevant Suppliers; and/or
- (b) the acquisition, by or on behalf of all Relevant Suppliers, of services which comprise or form a part of those activities.

55.4 For the purposes of paragraph 55.2(b), the Alt HAN Services may be made available and provided to a Relevant Supplier by means of one of the following (or a combination of them):

- (a) the acquisition of the capability to provide those services, and their provision to that Relevant Supplier, by or on behalf of all Relevant Suppliers;
- (b) the procurement, by or on behalf of all Relevant Suppliers, of the availability of those services from a third party, and their subsequent provision by that third party to the Relevant Supplier; and/or
- (c) the entering into, by or on behalf of all Relevant Suppliers, of such arrangements for the financing of the costs of the services as are reasonably required for the purposes of ensuring the availability and provision of those services.

55.5 Where the licensee is a Relevant Supplier it must:

- (a) take all reasonable steps to ensure that the Alt HAN Activities are carried out and the Alt HAN Services provided:
 - (i) by means of its participation in the arrangements set out at Section Z of the Smart Energy Code; and
 - (ii) in a manner that is both economic and efficient; and
- (b) ensure that the costs of the Alt HAN Activities and Alt HAN Services (by whatever means they are carried out, made available and provided) are recovered by means of the provisions for their recovery set out at Section Z of the Smart Energy Code.

Alt HAN Activities

55.6 For the purposes of this condition, the **Alt HAN Activities** means activities which:

- (a) are designed to determine which premises or groups of premises may benefit from the installation of Alt HAN Equipment;
- (b) involve the establishment and maintenance of a database of such premises;
- (c) are designed to establish which types of Alt HAN Equipment are likely to be the most cost-effective;

- (d) comprise the development, design, design assurance, prototype production, testing and configuration of Shared Solution Alt HAN Equipment;
- (e) comprise:
 - (i) the development, design and design assurance of Point-to-Point Alt HAN Equipment; and
 - (ii) to the extent to which it is economic and efficient to do so, the prototype production, testing and configuration of Point-to-Point Alt HAN Equipment;
- (f) may, for the purposes of paragraphs (a) to (e), involve the undertaking of pilot projects in relation to Alt HAN Equipment at premises;
- (g) involve the establishment and maintenance of a database which includes data in respect of:
 - (i) Alt HAN Equipment which has been installed at premises in accordance with the arrangements set out at Section Z of the Smart Energy Code, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment;
 - (ii) all other Alt HAN Equipment which has been installed at premises, and of the MPANs and MPRNs associated with SMETS2+ Smart Metering Systems (whether already installed or to be installed) which are capable of using such equipment; and
 - (iii) where Alt HAN Equipment of the type referred to in sub-paragraph (ii) has been installed at premises, whether, at any given time, an Energy Supplier has elected to use that equipment;
- (h) include such arrangements for the financing of the costs of any of the activities referred to in paragraphs (a) to (g) as are reasonably required for the purposes of ensuring the undertaking of, or acquiring of services which comprise or form part of, those activities; and

- (i) include the obtaining of such legal, managerial, technical, financial, risk management or other professional services as are reasonably required for the purpose of:
 - (i) undertaking, or acquiring services which comprise, any of the activities referred to in paragraphs (a) to (h); and
 - (ii) making available and providing the Alt HAN Services (including in particular the obtaining of services for the purpose of putting in place financing arrangements of the type referred to in paragraph 55.4(c)).

The Alt HAN Services

55.7 For the purposes of this condition, the **Alt HAN Services** means:

- (a) the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Shared Solution Alt HAN Equipment;
- (b) to the extent to which it is economic and efficient to do so, the manufacture, provision, installation, operation, maintenance, modification and decommissioning of Point-to-Point Alt HAN Equipment;
- (c) the provision of information and support in relation to each of the services referred to in paragraphs (a) to (b).

The Alt HAN Equipment

55.8 For the purposes of this condition, the **Alt HAN Equipment** means such equipment and apparatus as would be required by a Relevant Supplier in order to ensure that, in relation to any SMETS2+ Smart Metering System at a Relevant Premises, the HAN:

- (a) extends into at least one part of that Relevant Premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); and
- (b) permits communications to be made between the parts of one or more SMETS2+ Smart Metering Systems at that Relevant Premises,

where the Relevant Supplier would otherwise be unable, having taken all reasonable steps, to achieve either or both of those things by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

Relevant Premises

55.9 For the purposes of this condition, **Relevant Premises** means, in respect of a Relevant Supplier, any premises:

- (a) at which it is the Relevant Electricity Supplier or Relevant Gas Supplier (as the case may be);
- (b) at which there is, or is to be, installed a SMETS2+ Smart Metering System; and
- (c) which is not Exempt Premises.

Exempt Premises

55.10 For the purposes of this condition, **Exempt Premises** means any premises specified in, or falling within a description of premises specified in, the Exempt Premises List.

55.11 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, establish and maintain the Exempt Premises List in accordance with this condition.

Exempt Premises List

55.12 For the purposes of this condition, the **Exempt Premises List** means a list which specifies premises or descriptions of premises in respect of which, for one of the reasons specified in paragraph 55.13, the HAN need not either:

- (a) extend into at least one part of the premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); or
- (b) permit communications to be made between the parts of a SMETS2+ Smart Metering System, or between part of a SMETS2+ Smart Metering System and another SMETS2+ Smart Metering System at the premises.

55.13 The reasons specified in this paragraph are that the HAN need not have the specified capabilities because:

- (a) it would be technically impracticable for it to do so; or
 - (b) though technically practicable, it could only be achieved at disproportionate cost,
- in either case in consequence of the physical or other characteristics of, or any other relevant consideration with respect to, the specified premises.

55.14 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, and prior to making available or providing any Alt HAN Services:

- (a) provide a draft of the Exempt Premises List to the Secretary of State;
- (b) together with that draft, provide to the Secretary of State information as to:
 - (i) the different service levels capable of being achieved by Alt HAN Equipment of different types or qualities;
 - (ii) the respective costs of manufacturing, providing, installing, operating, maintaining, modifying and decommissioning such different types or qualities of Alt HAN Equipment;
- (c) provide to the Secretary of State all such further information related to the Alt HAN Activities or Alt HAN Services as she may request;
- (d) make such changes to the draft Exempt Premises List as the Secretary of State may (following consultation with such persons as she considers appropriate) direct; and
- (e) obtain the approval of the Secretary of State to the Exempt Premises List.

55.15 The Exempt Premises List shall be treated as established for the purposes of this condition only when it has been approved by the Secretary of State.

55.16 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, by means of participation in the arrangements set out at Section Z of the Smart Energy Code:

- (a) review the Exempt Premises List at least once in each year following the Secretary of State's approval; and
- (b) propose to the Secretary of State such revisions of the Exempt Premises List (if any) as may be necessary or appropriate in the light of the review.

55.17 The Secretary of State may, whether after receiving proposed revisions from the Relevant Suppliers or at any other time, and following consultation with all Relevant Suppliers and such other persons as she considers appropriate, revise the Exempt Premises List in such manner, with effect from such time, and to such extent as she may specify.

55.18 The Secretary of State may, by means of a direction in accordance with this paragraph issued to the Authority and all Relevant Suppliers, provide that:

- (a) any duty of the licensee under paragraph 55.14 or 55.16 expressed to be by reference to the Secretary of State and identified in the direction; or
- (b) any function of the Secretary of State under paragraph 55.14, 55.16 or 55.17 identified in the direction,

shall, from such date as she may specify, be treated as a duty expressed by reference to, or a function exercisable by, the Authority in substitution for the Secretary of State.

55.19 The licensee must provide a copy of the Exempt Premises List to any person who requests it.

55.20 For the purposes of the approval of the Exempt Premises List or any subsequent revision of it by the Secretary of State or Authority in accordance with this condition, any question arising under paragraph 55.13 as to whether the HAN could have the specified capabilities only at disproportionate cost shall be determined by the Secretary of State or Authority (as the case may be) in such manner and by reference to such factors as she or it considers appropriate.

Definitions

55.21 In this condition:

Alt HAN Activities

has the meaning given to it in paragraph 55.6

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| Alt HAN Equipment | has the meaning given to it in paragraph 55.8. |
| Alt HAN Services | has the meaning given to it in paragraph 55.7. |
| Energy Supplier | means a person Authorised by an Electricity Supply Licence to supply electricity or a Gas Supply Licence to supply gas. |
| Exempt Premises | has the meaning given to it in paragraph 55.10. |
| Exempt Premises List | has the meaning given to it in paragraph 55.12. |
| Point-to-Point Alt HAN Equipment | means equipment which fulfils the function of Alt HAN Equipment in respect of only one Relevant Premises. |
| Relevant Premises | has the meaning given to it in paragraph 55.9. |
| Relevant Supplier | <p>means an Energy Supplier which is required in accordance with:</p> <p>(a) standard condition 39 of an Electricity Supply Licence or standard condition 33 of a Gas Supply Licence; or to install a Smart Metering System at any premises.</p> <p>(b) standard condition 39A of an Electricity Supply Licence or standard condition 33A of a Gas Supply Licence,</p> <p>to install a Smart Metering System or a Qualifying Metering System at any premises.</p> |
| Shared Solution Alt HAN Equipment | means equipment which fulfils the function of Alt HAN Equipment in respect of more than one Relevant Premises. |

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