

Smart Metering Implementation Programme
Department of Energy & Climate Change
3 Whitehall Place
London
SW1A 2AW

19 November 2013

Smart Metering Implementation Programme: Roll-out of smart meters

Non-domestic market: Government response to an Open Letter consultation on proposed amendments to roll-out licence conditions and a consultation on draft licence conditions

Domestic and non-domestic markets: a consultation on draft amendments to supply licence conditions

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

EDF Energy welcomes the opportunity to respond to these consultations. This response is to all of the questions contained in Section 1 (Non-domestic market: Government response to an Open Letter consultation on proposed amendments to roll-out licence conditions and a consultation on draft licence conditions) and Section 2 (Domestic and non-domestic markets: a consultation on draft amendments to supply licence conditions). The key points of our response are:

- EDF Energy welcomes the decision to extend the completion date for the smart metering roll out to the end of 2020 through appropriate amendments to licence conditions.
- We support the amendment of the AMR roll-out licence condition that will allow advanced metering to be installed for small non-domestic sites up until April 2016.
- The smart metering programme is complex and it is essential that all of the key enablers are designed, built, tested and delivered prior to go-live in 2015 to minimise the costs and impact of roll-out and optimise the benefits to customers and industry participants.

EDF Energy continues to actively work towards fully meeting its AMR roll-out licence obligation. We do not believe that the extension to the roll-out period for smaller AMR meters would noticeably change our approach to the roll-out of AMR meters as these meters are expected to receive a smart meter as part of the planned roll-out. It would, however, allow us to continue to install, or enter into contracts to install, advanced meters

at smaller sites for customer groups that specifically request them up until the 5th April 2016.

EDF Energy supports the additional clarity provided in the proposed licence amendments surrounding the need for a customer contract, rather than a metering services contract. Customers requiring advanced metering are being engaged with the view that the meters will be installed prior to April 2014. The additional clarity should help to ensure a consistent approach is adopted by all suppliers.

We would reiterate the point that non-domestic customers can contract directly for metering services and suppliers are not party to these arrangements. In our experience requiring a customer to replace a third party meter which we are unable to interface with, does not represent good customer service, and so it is unclear how we can discharge our obligations in this instance. Further clarity on how these arrangements are to be addressed is still needed, especially if the supplier is reliant on a third party with whom it has no direct contractual relationship with to discharge its obligations

We welcome the decision to clarify the smart metering licence condition definition of designated sites. EDF Energy has not excluded any Profile Class 1 and 2 sites from its' roll-out plans whether they are defined as true domestic sites or combined as part of a multi-site non-domestic contract. It is expected that all Profile Class 1 to 4 meters within the EDF Energy portfolio will have a smart metering system, or advanced meter at the customer request, by the end of the roll-out period in 2020.

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
or myself.

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

Yours sincerely,

Attachment

Smart Metering Implementation Programme: Roll-out of smart meters

Non-domestic market: Government response to an Open Letter consultation on proposed amendments to roll-out licence conditions and a consultation on draft licence conditions

EDF Energy's response to your questions

Part 1 Non-domestic market: Government response to an Open Letter consultation on proposed amendments to roll-out licence conditions and a consultation on draft licence conditions

Q1. Do you have any comments on the proposed legal re-drafting (at Annex 4) to take account of the changes that were consulted upon in the Open Letter consultation on proposed amendments to the roll-out licence conditions? These should be read in tandem with question 2 in Part 2.

EDF Energy believes that the proposed amendments to the licence conditions reflect the policy changes that were consulted upon in the Open Letter consultation in respect of the extension to the roll-out licence condition.

We support the clarification to the licence conditions surrounding the need for a customer contract rather than a metering services contract. However, we do not believe that the licence conditions adequately cover the instances where the customer contracts directly for metering services with a Metering Services Provider. Suppliers are not party to these contracts and will be unable to influence the metering on site. We believe that further clarity on how these arrangements are to be addressed is needed, especially if the supplier is reliant on a third party with whom it has no direct contractual relationship with which to discharge its obligations.

The proposal to clarify the smart metering licence condition definition of designated sites will not have any affect on the rollout of smart meters by EDF Energy. We have not excluded any Profile Class 1 and 2 sites from our 'roll-out plans whether they are defined as true domestic sites or combined as part of a multi-site non-domestic contract. It is expected that all Profile Class 1 to 4 meters within the EDF Energy portfolio will have a smart metering system, or advanced meter at the customer request, by the end of the roll-out period.

Part 2 Domestic and non-domestic markets: a consultation on draft amendments to supply licence conditions

Q1. Do you have any comments on the proposed legal re-drafting to take account of the extension to the completion of the smart metering roll-out to the end of 2020?

We believe that the proposed amendments to the licence amendments reflect the policy changes announced in May 2013. We welcome the extension of the completion date as set out in the roll-out licence conditions.

Q2. Do you have any comments on the Government's intention of clarifying the licence conditions on installation of advanced meters under the exceptions to the smart metering roll-out obligation, and do you have any comments on the proposed legal re-drafting (at Annex 4)?

The proposed amendments to the legal re-drafting appear to reflect the policy changes for installing advanced meters under the exceptions to the smart metering roll-out obligation for designated premises.

We recognise the complexity of the policy statements surrounding the advanced meter exceptions. However, we consider the licence drafting is overly complex and could easily be mis-interpreted. We note that at this was the main theme to arise from the industry review of the licence conditions on 13 November, where most of the time was spent gaining clarity on these conditions. DECC should consider a further redrafting in order to provide Licensees with a clearer view of allowable exceptions without the need to cross refer to policy statements.

Q3. Do you agree that the licence conditions should be amended to allow data that is collected for billing purposes also to be used to produce statements of account, and do you have any comments on the proposed legal drafting (at Annex 4)?

EDF Energy supports the change and believes that the proposed licence amendments do reflect the policy changes in terms of data usage for SMETs 2 compliant assets.

EDF Energy
November 2013