

Consultation on New Smart Energy Code Content (Stage 4)  
and consequential/ associated changes to licence conditions  
**Response from Siemens**

## Executive Summary

We welcome the latest consultation on the Smart Energy Code and are pleased to see the extension of the code to address many of the developing areas associated with Smart Metering communications. Siemens expects to operate across a number of different aspects relating to Smart Metering, so it is important to have early clarity on the enduring operational environment.

As a Meter Operator (MOP) we work closely with Energy Suppliers to ensure an effective rollout of meters. Energy Suppliers rely on MOPs such as ourselves to operate much of their day-to-day business. Considerations such as allowing MOPs to place orders for communication hubs are important as they support current working practice trends in the industry.

We also have a long standing operation providing managed services to Energy Suppliers and so welcome the recognition of Managed Service Providers. We firmly believe that many SEC parties will not be able leverage Smart Metering communications without the use of shared services. You will find our responses to the questions reflect our concern that these parties and those providing them services are not unduly constrained within the new environment.

Whilst we are aware that the full SEC consultation does not complete until the end of this year there are a number of points raised in the consultation that are material to our own planning and to that of other SEC parties. Early responses to these specific questions are critical for us to be able to progress with our delivery projects and help to ensure the timely and cost effective delivery of smart metering.

The specific questions we feel are time critical are 21, 23, 26, 33, 40 and 57. We would ask that early consideration be given to these points.

Siemens are now a SEC party and we look forward to on-going collaboration with all parties in the coming months.

## Questions and Answers

Questions in black and answers in blue. Where questions are greyed out we have decided not to comment.

### **Q1 Do you agree with the requirement for the DCC to consult SEC Parties on future tranches of Communication Hubs procurement?**

Yes it is sensible for the DCC to consult on future tranches of Communication Hubs procurement as specified in F4.10 so that they can take into account the experience of those installing Communications Hubs. There are current concerns in the industry about the height of the initial Communications Hubs that will be procured and cross-party dialogue would help address this.

Consultation will also be valuable with the introduction of new Communication Hub variants, such as dual band units. Furthermore, it should consider how Communication Hubs will be used to address properties where 868MHz signalling proves ineffective.

### **Q2 Do you agree with the proposed approach to allow SEC Parties (which will include MOPs) to forecast, order, take delivery and return uninstalled Communications Hubs?**

Yes, in relation to the proposed approach. Meter Operators will be at the heart of the roll-out planning process, working very closely with energy suppliers. It is therefore important for them to have direct access to the DCC to submit forecasts and generate orders for Communications Hubs. Taking delivery of these Hubs directly and having responsibility for the return on uninstalled units should also reduce complexity in the supply chain.

We look forward to the development of the Communication Hubs Support Materials (as stated in question 3) to understand the implications of the proposed approach in practice.

### **Q3 Do you agree with the proposed approach and legal drafting in relation to the development of the Communications Hub Support Materials?**

Yes, we recognise that the Communications Services Providers are best placed to develop materials relating to the handover, installation and maintenance of Communications Hubs. However, many SEC Parties, including MOPs, have invaluable experience of installing smart metering devices during the Foundation Phase and should be well placed to propose any appropriate refinements to the documentation to aid clarity, accuracy and comprehensiveness.

### **Q4 Do you agree with the proposed approach and legal drafting in relation to the forecasting of Communications Hubs?**

Yes, we recognise the importance of certainty within the supply chain to ensure cost effective manufacturing of Communication Hubs and the contribution which monthly forecasts could deliver.

We believe that forecasting might prove challenging in the early phases of the roll-out, particularly for smaller energy suppliers. Given this and the likely small impact that their monthly requirements will contribute to overall requirements, we would propose more flexibility is offered on the reliability of smaller supplier forecasting. For those organisations serving less than 500,000 households, we would propose tolerance levels of +/-75% at 10 months and +/-50% at 7 months.

In addition, we believe that it will be challenging to predict Communication Hub requirements at a Device Model level. Whilst coverage data may provide indications of the likely need for mesh network communications to support WAN communications, we are not aware of any data that will allow a better understanding of the need for HAN variants. Given this, we would argue that provisions may need to be recommended by the CSPs based on a typical composition of building stock in a given area.

**Q5 Do you agree that forecasts that are submitted from the tenth month should include the numbers of Device Models to be delivered in that month in each region and these should be subject to the specific tolerance thresholds outlined below.**

Yes, subject to the caveats as set out in our response to Q4.

**Q6 Do you agree with the proposed approach and legal drafting in relation to ordering of Communications Hubs?**

Generally we agree with the proposed approach outlined. However, we believe that there may be issues with the requirement for a minimum delivery quantity of Communications Hubs, particularly for smaller energy suppliers. Whilst this may be addressed through the aggregation of orders from Meter Operators working for multiple suppliers, there may be instances where volumes are not sufficient to meet minimum criteria.

Aggregating multiple user volumes at fewer single delivery locations would help to address the risk of not being able to meet small order requirements. Alternatively, energy suppliers should be given the freedom to forecast a zero requirement during some months, in order to allow for over ordering in other months.

**Q7 Do you agree with the proposed approach and legal drafting in relation to delivery and handover of Communications Hubs?**

It is essential to maintain a robust tracking system that has the ability to track assets from cradle to grave. One key area of opportunity is for the DCC to supply an electronic delivery

note to the company that has ordered the communications hubs. The electronic delivery note would be uploaded into the asset management system allowing the recipient to receive against the delivery note (ASN) with minimal handling. A unique record could be created for each unit at the point of receipt and any discrepancies could be sent back to the DCC electronically, this process would also aid identification of device faults against a particular batch. For this entire process to work an electronic interface or data transfer process would need to be developed to avoid manual data entry, which in turn would reduce errors.

**Q8 Do you agree with the proposed approach and legal drafting in relation to installation and maintenance of Communications Hubs?**

Section F7.1 is reasonable, given the requirement to consult on the CHISM.

F7.3 should have an additional statement relating to identification of the start of the acceptance of risk: "F7.3 On completion of the installation of the Communications Hub in accordance with Section 7.1, risk of loss or destruction of or damage to the Communications Hub shall cease to vest in the Party which ordered the Communications Hub." *The risk of loss or destruction of or damage to the Communications Hub having started for the Party which ordered it when they accepted delivery as described in F6.5.* (and described in section 66 of the SEC consultation)

Paragraph 76 of the consultation states that on some occasions the DCC may need to attend site to facilitate successful connection of a Communications Hub to the WAN. The CSP representative will not visit site unaccompanied. It would also be useful if it could state the benefits of the Meter Operator Supplier Agent visiting the site with the DCC representative.

- See F7.7(c) comment below.

In addition, regarding Section F7.5 to F7.7: an obligation is needed on the DCC to make people available, in a timely manner when a special installation or modification is needed, and to publish an associated SLA. An electronic booking system would be advantageous, although the method for booking this DCC resource is unclear and further details are sought here.

**F7.7(c)**

It would be beneficial for clarity if this section could state that the DCC will not visit sites on behalf of a Supplier Party unaccompanied. It would also be beneficial if it could say that a qualified Meter Operator visiting with the DCC representative will meet the Supplier Party's Energy Licence requirements and allow maximum flexibility. In this way any metering work (exchange, relocation, installation of a cradle) can be carried out and the Meter Operator Agents would gain knowledge in achieving WAN connection, e.g. placement of external aerials, increasing first time WAN connection and reducing DCC visits.

Working with a Meter Operator would ensure that the Supplier's commitments under SMICoP are met during these visits. For example, the Meter Operator will identify

themselves, the Supplier they represent and show a valid identity card which clearly displays the Member, or Member's third party name etc. Where the Supplier operates a password scheme, the Meter Operator will use the password when one has been requested by the Customer.

Collaboration with a Meter Operator also provides a natural continuation from the requirements under SMICoP in relation to incomplete / faulty installations, more specifically:

- To make the Customer aware that the installation could not be completed during the installation visit;
- To make the Customer aware of a fault identified with the Smart Metering System during the installation visit, what the resolution is likely to be, who will be resolving the fault, and the approximate timescales of the resolution;

The Meter Operator processes for notifying the Customer that they will receive an installation re-visit to resolve issues prior to the visit may also be beneficial when arranging joint DCC representative and Meter Operator WAN fixing visits.

#### **Q9 Do you agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs?**

We believe that there is a strong case for a right of return of Communication Hubs to the DCC prior to installation. A good example of this is Change of Supplier Agent. In the instance where an Agent loses a supply contract it would not want to be committed to existing stock levels, recent deliveries, or impending deliveries. These Hubs carry charges from the point of delivery, along with associated storage costs.

In instances such as Change of Supplier Agent, we believe that Agents should not only be allowed to return uninstalled stock, but also to transfer their forecasts to a Supplier or incoming Agent. This would be beneficial for both the outgoing Agent and the incoming Agent, who will not have had the opportunity to build up an appropriate forecast to deliver against a required program of work.

We believe that the charge for returns should be minimal and less than the storage/DCC charge from delivery so that this is the preferred approach rather than having assets in stores not being used. .

Reconditioned Communications Hubs should meet a minimum standard in terms of appearance so they do not obviously look old or previously used, when placed on a new meter. Consumers have high expectations in relation to the look and feel of their consumer devices and not meeting these might discourage engagement and limit the associated benefits.

In relation to Section F8.9, we seek clarity over the notification and acceptance of Communications Hub returns. We would expect to see details of this within the Communications Hubs Support materials.

It would be beneficial if the Communications Hub types from each CSP Region and any variants thereof were easily distinguishable visually from each other to aid sorting and redistribution of returns. We assume that the Arqiva and Telefonica Communication Hubs will deliver against this requirement given the distinctive technology and manufacturers.

#### **SEC 4 Legal Text.**

F8.1 (b) This refers to installed Communications Hubs removed by the Lead Supplier. To be consistent with F6.9, suggest this should use the term Supplier Party

Furthermore, we cannot see legal text relating to SEC Consultation paragraph 88 allowing SEC Parties to cancel orders before delivery in the legal text referenced for Q9. We would recommend that this is added.

**Q10 Do you agree that there should be an obligation for the first installing supplier in a dual fuel premises to take all reasonable steps to install a communications hub that would work with both the smart meter that it is installing and the smart meter of the other fuel type?**

Yes, although the only circumstances in which we can foresee a risk arising is where a standard HAN connection works fine for the single fuel, but might present problems for the second fuel when commissioned. That said, we recognise that there may be practical issues with delivering this requirement and we welcome further dialogue on this.

**Q11 Do you agree with the Government's proposals in relation to the processes to determine the reasons for early return of Communications Hubs?**

In 'Reason for Return DCC' categories A: Type Fault, B: Batch Fault, C: DCC Product Recall / Technology Refresh and D: DCC Fault (4, 5, 6 and 7), the DCC should collect the Communications Hubs from the Supplier / Party. In fact this is already the case for 'Reason for Return DCC' category D (7) as stated in SEC Consultation paragraph 68.

In 'Reason for Return DCC' category B: Type Fault (5), all site visits cost should be compensated for.

Once removed, the Supplier has 90 days in which to test it and determine if it is faulty or not, and return it to DCC. In some cases this testing may identify that the Communications hub has 'no fault found'.

Two examples of this scenario are:

- (i) The removal of the device powering it down and then re-powering to check may have cleared a fault. (that may not have been logged);
- (ii) where the only way of ensuring the Customer is satisfied that the Metering System has been fixed on a site visit has been to exchange equipment including the Communications Hub.

However, as all have to be returned to DCC for reconditioning (clearing of data) there will be an unavoidable cost. The Communications Hub cannot be re-deployed. There should be the ability for the Party to return a Communications Hub clearly identified as 'no fault found' for reconditioning where this is the case and incur no costs as no testing by DCC is required.

## SEC 4 Legal Text.

### F9.5

The following returns should be included:

- (j) that the Communications Hub has a Batch Fault.
- (k) return of a working communications hub (no fault found).

9.5(e) should be removed as all reasons should be listed.

### F9.6 Amended as follows:

"F9.6 For the purposes of this section F9 and the Charging Methodology:

- (a) ~~Each of the reasons~~ described in Sections F9.5 (d) ~~and (e)~~ constitutes 'CH User Responsibility' and ...."

Where a Communications Hub reported as faulty is found to be not faulty by the DCC, this shall be deemed to be the CH User Responsibility.

Where this is identified by the CH User prior to return for refurbishment then there will be no costs assigned to the CH User.

- (b)....."

### F9.6 Add:

(f) the reason described in section F9.5(j) constitutes the return of Communications Hub from a Batch that is known to be faulty. A 'Batch' means the total number of Communications Hubs delivered to a specific Delivery Location in any Delivery Month and a Batch Fault is as defined in F9.20.

### F9.6 Add:

- (g) DCC will collect Communications Hubs for the situations in Sections 9.5(c), (f), (g), (h), (i) and (j).

We would recommend that the definition of a Batch should be different to that defined in F9.20. A 'Batch' should be defined by the manufacturer of the Communications Hub to represent what they determine to be a population of Communications Hubs with common characteristics. e.g. a production run of product of the same design.

A set of communications hubs delivered to a location in a month does not necessarily represent any common characteristics as the volume delivered may comprise of new units from different manufacturer deliveries or may be a mix of new and reconditioned units. Also, it does not allow association of Communications hubs in a manufacturer's batch that may be delivered to different locations.

The electronic delivery note (referred to in the response to Q7) should contain the manufacturer's batch identifier so that this can be uploaded into the asset management system of the recipient.

**Q12 Do you agree with the proposed approach and legal drafting in relation to the transitional requirements for Communications Hub forecasts and orders?**

Yes, we agree with the proposed approach. However, we would:

- a. still raise issue with a user's ability to identify the particular HAN variant required,
- b. propose greater tolerance on forecasting for smaller energy suppliers and
- c. suggest that order fulfilment is more flexible, or allows for zero forecasting to enable smaller suppliers to access communication hub stock in line with their requirements

**Q13 Do you agree with our proposed changes to the DCC licence to require the DCC to offer services to non-SEC Parties where required to do so under the SEC?**

We understand that the DCC is likely to need to provide services to parties who are not normally expected to become SEC members and thus not expected to sign up to the full SEC. However we would wish to ensure that by providing limited access to services and systems the overall DCC integrity is not compromised if parties are able to sign up to sub-sets of the SEC.

**Q14 Do you agree with the proposed approach for legal drafting in relation to the provision of Communications Hubs for testing?**

With regard to "F10.2 ....test Communications Hubs shall: (c) not be (or be capable of being) Commissioned;...". We seek clarity on the implications of these for parties.

Section F10.2(c) should be expanded to explain the limitations in functionality of the Test Communications Hubs with relation to pre-E2E testing and E2E testing in comparison to those that can be installed for real purposes. For example, the requirement for the DCC to provide details of the manner in which Prototype Comms Hubs work should be reflected in an additional requirement for the DCC to provide the same for Test Communication Hubs.

**Q15 Do you agree with the legal drafting in relation to Security Governance?**

We welcome the creation of the SSC which will be a key group during the life of the DCC.

It is essential that any risk assessment is informed by good situational awareness and so we would welcome the addition of membership from either or both of UK CERT and CPNI. These bodies can then provide reliable information on current threats enabling the SSC to make informed recommendations. The SEC may also wish to consider representation from 'Other Users' who will, over time, become a significant user group.

It would also assist the function of the SSC if it could require SEC parties to provide information on security issues, vulnerabilities or incidents. Security decisions cannot be made on hearsay and insufficient information so it is vital that the SSC, under the authority of the SEC, can obtain a complete view of the security situation.

**Q15a Do you agree with the Governments proposal in relation to Security Assurance? In particular on:**

- The proposal for the SEC Panel to procure a central CIO on an initial basis;
- The proposal for Users to meet the costs of security assessments that are undertaken at their organization
- The proposal for a three year rolling cycle of security assessments to be used to provide assurance on Users
- The process for identifying and managing non-compliance
- The assessment arrangements proposed for DCC

We agree that the most appropriate approach is the appointment of a CIO to complete the security assurance role and note that similar models are used elsewhere in the Energy industry. We would want to be assured that the approach taken, especially in the early years, provide a cost effective solution and would like to see some early indication of likely costs and procedure as soon as possible; including a recognition of organisations already ISO27001 certified. It is appropriate for the costs to fall to the organisation being assessed but we question the need for a full assessment every year for larger suppliers. As an ISO27001 certified organisation we only undertake a "light" audit most years with a full audit every three years. It is however hard to judge the impact of a full assessment without an understanding of the cost and timescales involved.

In the short term we would want assurance that the appointed CIO has sufficient preparation time and resources to be able to support organisations who need to be ready for UEPT in June 2015. This will be a critical period for all involved and we would not want the Security Assessment becoming a bottleneck.

**Q16 Do you agree with our proposed approach and legal text for SEC in relation to Privacy Assessments?**

Yes, we agree.

**Q17 Do you agree with the specific proposals for undertaking random sample compliance assessments?**

Yes, we agree.

**Q18 Do you agree with the proposal for Users to meet the costs of the privacy assessments that are undertaken at their organization?**

Yes, we agree.

**Q19 What are your views on potential future change to the SEC to provide for reporting the results of privacy assurance assessments bodies such as Ofgem, DECC, ICO and Parties generally?**

The ongoing review of the assessments is key to ensure that they remain relevant and a source of confidence in the smart metering programme. We agree that transparency is important so that relevant bodies can provide assurance on the state of the operation and that privacy of individuals is being maintained. As with any high profile situation it is also important that organisations being assessed are given the opportunity to review findings, rectify issues and if needed appeal against findings before they are shared too widely.

**Q20 Do you agree that the proposed legal drafting reflects the position reached in the SMETS consultation response, that Users should be required to obtain consent and to verify the identity of the energy consumer from whom they have obtained the consent prior to pairing a CAD?**

SEC's ability to implement measures concerning data privacy and consumer protection is a fundamental requirement. The legal text does not clarify sufficiently the requirement (as set out in paragraph 155) for the DCC User to have explicit consent to have to request Read Profile Data and Retrieve Daily Consumption Log information from any Type 2 device where this is not returned by the device.

We would suggest the following addition to I1.3:

..."(b) access (pursuant to Section H8.16) or request (pursuant to Section H8.17) the information described in Section H8.16(c) where provided directly to the consumer, unless the Energy Consumer at which the relevant Smart Meter is located has given the User explicit consent to do so and such consent has not been withdrawn."

**Q21 Do you agree with the proposed updates to the Security Requirements and the associated legal drafting?**

Regarding separation between DCC and Users we agree with the overall approach to ensure that no systemic issues are created. We would suggest that organisations wishing to operate on both sides of this boundary should provide evidence of the measures they are taking to the SEC Panel. Whilst this evidence would not need to be shared outside the panel the knowledge of its existence would give confidence to others.

The role of Shared Service Providers will be essential for the successful use of the DCC services by parties other than the largest suppliers and distributors. We agree that recognition of the particular circumstances of Shared Service Providers is important but we would not want to see any specific restrictions on their operation. Given the structure of the GB energy market it is likely that even a larger Shared Service operation will be smaller than some single party operations.

**Q22 Do you agree that we should also in the SEC obligations on the DCC and Users which limit the future dating of commands to 30 days?**

On the subject of anomaly detection the time constraint is sensible but may want to be extended to 32 or 33 days to allow a party to submit a months' worth of read requests as part of a billing run. This may be particularly relevant for smaller suppliers.

**Q23 Do you agree with the proposed approach and legal drafting in relation to which parties are eligible to subscribe for specific Organizational Certificates?**

Yes, we are happy with the proposed approach on the basis that an energy supplier can outsource their organisational certificates to a third party, provided that the third party were a SEC Party member and appropriately qualified to act on the supplier's behalf. Without such assurances the proposed approach is restrictive, as the Remote Party Role Code of Other User would not be sufficient to allow a third party to meet the emerging needs of smaller suppliers. Under these circumstances we would propose that new Remote Party Role Codes are created to facilitate the roles of different variants of 'proxy supplier'.

**Q24 Do you agree with the proposed approach and legal drafting in relation to the Organisational Certificates the DCC must subscribe for in order to support the installation of Devices?**

Yes, we agree.

**Q25 Do you agree with the proposed approach and legal drafting in relation to the date on which the DCC must start providing live certificates, in particular the proposal to turn off the DCCs response time obligations until the Stage 2 Assurance Report (see section 6.6) has been produced?**

We agree with the proposal but would want to be sure that the relaxation of SLAs does not result in issues in the run up to UIT. Therefore some form of escalation process should be available to parties if they are concerned about this.

**Q26 Do you agree with the proposed approach for all Network Parties to have established SMKI Organisational certificates?**

We agree that the approach to network certificates is appropriate but would suggest a longer window to install them. A minimum of 5 working days is suggested but we would question why this needs to be less than 14-28 days as this would greatly affect the operational overhead for suppliers and MOPs

**Q27 Do you agree with the proposed approach for Non-User Suppliers to have established SMKI Organisation certificates?**

Yes, we agree.

**Q28 Do you agree with the proposed approach and legal drafting in relation to specific SMKI Organisational Certificates placed on specific Devices?**

Yes, we agree.

**Q29 Do you agree with our proposal to require DCC to provide Test Certificates to Test Participants (who, in the case of non-SEC parties, will have to be bound by an agreement entering into with the DCC) only for the purposes of Test Services and testing pursuant to Section T of the SEC and to not require DCC to provide a Test Repository? Please provide a rationale for you view.**

We agree on the whole but would want to ensure that the lack of a test repository would not impede a Party's ability to perform full end to end testing.

**Q30 Do you agree with the proposed approach and legal drafting in relation to the DCC User Gateway Services Schedule**

Yes, except we believe that the DCC User Gateway Services Schedule should refer to Appendix E not Appendix F (as set out in the mark-up version in Annex 3 to the SEC Consultation)

**Q31 Do you agree with the proposed approach to centrally procure a EUI-64 Registry Entry?**

Yes, we agree.

**Q32 Do you agree with the intention to create a 'Party ID', enabling interface the Self Service Interface at a Party level?**

Yes, and we look forward to details of the ID Allocation Procedure. Our expectation is that there will no additional charge to obtain a Party ID and associated EUI-64 compliant ID.

**Q33 Do you agree that the proposed legal drafting accurately reflects the process by which the DCC will provide connection to the DCC User Gateway?**

Yes, we agree.

**Q34 Do you agree that the drafting meets the needs of both DCC and its Users in establishing, maintaining and terminating connections? Please provide a rationale for your views and include any supporting evidence**

We would like to see the legal drafting adequately address the changes made to clarify arrangements where connections may be shared by more than one User. For example, Section H3.12 requires the removal of the DCC User Gateway Equipment upon cessation of the service. Where the equipment is shared the drafting does not appear to make provision for this and a defaulting Party could erroneously cause the removal of equipment used by other Parties.

**Q35 Do you agree with the proposed approach and legal drafting in relation to Processing Requests?**

**Q36 Do you agree with the proposed changes to the approach and legal drafting in relation to Smart Metering and Enrolment Services?**

The ability for (a) Supplier Agents to add Devices to the SM Inventory and; (b) for supplier certificate slots on Devices to be populated with the certificates of DCC or another supplier are welcome additions to allow flexibility in device ordering processes.

**Q37 Do you agree with the proposed approach and legal drafting in relation to Problem Management?**

We agree that parties need to have visibility of problems so that they can see progress to the resolution of specific interfaces. We would encourage the use of common industry definitions, as set out in frameworks such as ITIL to ensure common understanding across

parties. Given the highly interconnected nature of the DCC operation we would welcome transparency and dialogue on service incidents and problems across DCC parties to avoid unnecessary incident management costs and effort.

**Q38 Do you agree with the proposed approach and legal drafting in facilitating provision of a service to consumers to allow them to find out which Users have accessed consumption data from their meters?**

Yes, we agree. This would seem sensible in the interests of transparency and building consumer confidence in smart meters and associated services.

**Q39 Do you agree with the proposed approach of not requiring any User to offer a transparency service to consumers at this stage?**

Yes, we agree.

**Q40 Do you agree with the proposal to provide for a date in the SEC when any assessment of whether a supplier is large/small for testing purposes is made? If not, please provide evidence for why this approach would not work and what alternatives should be used?**

Yes, we agree. There are a number of smaller suppliers that have either recently reached the 250,000 premises threshold, or are close to reaching it. Some certainty around the point in time at which they will be adjudged to be large suppliers will help them in their planning.

**Q41 Do you agree with the proposed approach and legal drafting in relation to the registration data text alignment?**

**Q42 Do you agree with the proposed approach and legal drafting in relation to the provision of market share information to the CDB and the DCC?**

**Q43 Do you agree with the proposed approach to RDP/DCC connections and the associated legal drafting?**

**Q44 Do you agree that Network Parties using the same RDP should be jointly and severally liable for failure of the RDP to comply with provisions relating to the RDP's use of the connection provided to it by the DCC?**

**Q45 Do you agree with the proposed approach and legal drafting in relation to provision of Explicit Charges for Certain Other Enabling Services?**

Yes, we agree with the approach. It seems sensible to impose explicit charges upon services which have variable demand, so long as they are cost reflective. Compensating early adopters appropriately for subsequent uptake of these services would be reasonable.

**Q46 Do you agree with broadening the scope of DCC Licence Condition 20 to include the Other Enabling Services which attract an explicit charge?**

Yes, we agree with the proposed approach, in particular the ability to seek resolution of any disputes through OFGEM.

**Q47 Do you agree with the proposed amendments to the legal drafting which introduce a new controlled category of DCC data, set out guidelines for types of data which may be marked as confidential or controlled and limit liability for breach of the latter category?**

Yes, we agree.

**Q48 Do you agree that liability for disclosure of controlled information should be limited to £1 million per event (or series of events) for direct losses?**

Yes, we agree.

**Q49 Do you think that SEC Parties other than the DCC may have a need to mark data 'controlled'? If so, please outline what, if any parameters ought to apply?**

Yes, we believe other SEC parties should be marking data sets; certainly those which would/could be considered to be sensitive/confidential information. This could include, but would not be limited to, any security related data such as keys or data which may include critical commands.

**Q50 Do you agree that liabilities if these controls are breached should be limited to £1 million (excluding consequential losses)?**

**Q51 Do you agree with the proposed approach and legal drafting in relation to the consequential changes to align the SEC with the proposed changes to the DCC and Supply Licences?**

Yes, we agree.

**Q52 Do you agree with the proposed approach and legal drafting in relation to the invoicing threshold?**

Yes, we agree.

**Q53 Do you agree with the proposed approach and legal drafting in relation to the credit cover threshold?**

**Q54 Do you agree with the proposed approach and legal drafting in relation to the scope for an explicit charge related to Services within the DCC User Gateway Services Schedule of zero?**

**Q55 Do you agree with the proposed amendment to the definition of ‘Mandated Smart Metering System’? Views would be welcome whether this change has a material impact?**

**Q56 Do you agree with the proposed approach and legal drafting regarding power outage alerts?**

**Q57 Do you agree with the proposed approach and legal drafting in relation to the testing of shared systems?**

We agree that in the situation where testing can be reduced by an avoidance of duplication then this should be the approach taken. A good example of this is when multiple parties undertake UEPT within a short period of time and all use the same shared systems. If they are demonstrating the same test cases (e.g. DUGIS messages) using the same systems then there is little to be gained by repeating the tests. However if an organisation is performing end-to-end testing then it is likely that there will be sufficient differences to require a new test execution.

It is however important that guidance is provided as soon as possible on this point as the costs and plans for many DCC readiness projects are very sensitive to this issue. Enabling the opportunity to reduce unnecessary test activity will represent a significant cost saving.

**Q58 Do you consider the costs of remote access to the test SMWAN should be socialised across all Users or charges directly to those test participants who use the service? Please provide an explanation for your answer**

The allocation of such costs is often a cause for discussion but in most cases the right approach is for costs to be allocated on the basis of use that is Option 2. We would support this approach as it encourages the most efficient use of resources and usually represents the fairest approach. Also any shared approach inevitably results in parties paying for facilities which they would never choose to use, as recognised in paragraph 335.

**Q59 Do you agree with the proposed legal drafting in relation to Communications Hub Asset and Maintenance Charges?**

K7.5 (l)

Where the MOP has ordered Communications Hubs, they will be the ordering Party and will be charged a monthly Stock Level Explicit Charge for Communications Hubs that are in their possession but not yet installed, covering asset costs and associated financing by the DCC.

Assuming that the charge is on a daily basis, the pre-installation charge should start the day after delivery date and end the day before installation date (as the days of delivery and installation will only represent partial days in the pre-installation state).

**Q60 Do you agree with the proposed legal drafting on Communications Hubs Charging following removal and/or return?**

K7.5 (o)

As reported in the response to Q11, there will be cases where the faulty Communications Hub that has been removed will be tested prior to return to DCC and found not faulty. (e.g. removal of power having cleared fault or changed to ensure that the site visit outcome is satisfactory from a customer perspective).

Unfortunately these will have to be returned to DCC for reconditioning (clearing of data) and cannot be immediately re-deployed. There should be no cost for the Supplier Party for these returns as long as clearly identified as not faulty that the DCC do not carry out fault analysis work. The charging mechanism should be adapted to cater for this.

**Q61 Do you have any views on the operation of SMETS 2 meters that are opted out of DCC services in light of:**

- the conclusions on SMKI set out above; and
- any other matters, including GBCS, that may affect two-way communications with an opted-out meter

We agree that if opted out meters are to be re-introduced then it is essential that certificates are installed to provide a point of trust upon which to build. As referenced in paragraph 377 there is a wider set of issues associated with the opting out of meters which also needs to

be considered alongside the SMKI question and we would welcome a further consultation on this topic.

**Q62 Do you agree with the proposed legal text with respect to the DCC's Subscriber and Relying Party obligations and associated liabilities?**

**Q63 Do you agree with proposed legal text in relation to the Initial Enrolment Project for SMETS1 meters installed during Foundation?**

Yes, we agree with the principle of an Initial Enrolment Project to evaluate the implications of introducing SMETS1 meters into the DCC. We would argue that Suppliers should be obliged to provide meters to be included in the scope of the initial project. Doing so is likely to reduce the overall costs of the transition; and maintaining foundation infrastructure in parallel with enduring infrastructure could present barriers to switching supplier. We would also like to understand what is being proposed for advanced meters that do not meet SMETS1 criteria. As we understand it, a significant proportion of foundation meters cannot be classified as SMETS1. Assuming that these meters are not upgradeable to the SMETS1 standard, these customers are likely to be disadvantaged in terms of available services and could be presented with barriers to switching.

**Q64 Does the contents list for the Initial Enrolment Project Feasibility Report (par 06) cover the required issues for the DCC to address? Are there any additional areas which you consider the DCC should be specifically required to include?**

Yes, we are happy with the scope of the Initial Enrolment Project Feasibility Report.

**Q65 Do you agree with the proposed legal text in relation to charging arrangements for the ongoing communications costs of Foundation Meters enrolled in the DCC?**

Yes, we agree that any excessive communications costs should be borne by the supplier that set up the original foundation smart meter and that incoming suppliers should not be penalised for this.

**Q66 Do you agree with the proposed approach and legal drafting in relation to User supplier to Non-User supplier churn?**

Yes, we are broadly supportive of an interim solution for Non-Users who take on customers that were previously supplied by users of the DCC.

**For any questions or further information on Siemens response to this consultation please contact:**

## **About Siemens in the UK**

Siemens was established in the United Kingdom 171 years ago and now employs 12,972 people in the UK. Last year's revenues were £4.4 billion. As a leading global engineering and technology services company, Siemens provides innovative solutions to help tackle the world's major challenges, across the key sectors of Energy, Industry, Infrastructure & Cities and Healthcare. Siemens plc has offices and factories throughout the UK, with its headquarters in Frimley, Surrey. The company's global headquarters is in Munich, Germany. For more information, visit [www.siemens.co.uk](http://www.siemens.co.uk)