UPL
UTILITY MANAGEMENT
& ENERGY CONSULTANTS

Smart Metering Implementation Programme - Regulation
Department of Energy & Climate Change
Orchard 3, Lower Ground Floor
1 Victoria Street
London, SW1H 0ET

21/08/2014
Ref: SEC4 Final

Dear Sirs,

**SEC4 Consultation**

Please find attached our response to the above consultation.

We have responded only to those questions which are either relevant to our organisation and its' experience or to which we have relevant information to include.

Yours faithfully,

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*Partners in Power*

1. Do you agree with the requirement for the DCC to consult SEC Parties on future tranches of Communications Hubs procurement?

*A1. Yes.*

2. 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?

*A2. Yes .*

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

*A3. Yes.*

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

*A6. Yes. However, we would be concerned at setting the minimum delivery quantity too high in the early stages bearing in mind that over 90% of the ongoing monthly cost of a comms hub will be incurred as a stocking charge by the ordering party immediately upon accepted delivery of a consignment until such time as the hub is installed (or returned).*

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

*A7. Yes. However we would seek the period to accept/reject delivery to be 5 working days rather than calendar days.*

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

*A8. We broadly agree with the approach but have the following observations. Whilst we understand the requirement for suppliers and SEC parties to report apparent comms hubs failures where they identify them, we do not believe that this should absolve DCC from checking performance down to individual CH level and pro-actively providing suppliers and SEC parties with reports to this effect. Additionally, any fault visits that the DCC intends to carry out (itself) should be agreed in advance by the relevant supplier before the DCC incurs costs which it intends to recharge to said supplier.*

9. Do you agree with the proposed approach and legal drafting in relation to removal and returns of Communications Hubs?

*A9. Yes.*

9. Do you agree with the proposal to require suppliers to explain clearly to customers what energy consumption data will be accessed, for which purposes, and the choices that customers have about this, and to provide annual reminders to their customers about this?

*A9. We agree.*

11. Do you agree with the Governments proposals in relation to the processes to determine the reasons for early return of Communications Hubs?

*A11. Whilst we broadly agree we are concerned with the lack of compensation for site visit costs associated with Type or Batch faults as this may encourage the CSP to avoid issuing a product recall even when such might be justified as it appears to be less costly to simply continue to replace hubs free of charge. Hopefully DCC will have some condition within the contract which mitigates this position but that will not help off-set costs incurred by suppliers.*

20. Do you agree that the proposed legal drafting reflects the position reached in the SMETS2 consultation response, that Users should be required obtain consent and to verify the identity of the energy consumer from whom they have obtained the consent prior to pairing a CAD?

*A20. We support and reinforce the views expressed in the government conclusion in the July 2013 government response referenced in SEC4 including the support for both remotely and locally initiated processes. The government has correctly (in our view) identified that 'A strong uptake of CADs would empower consumers, allowing them better to manage their energy use, and supporting the wider adoption of demand response technologies. A strong market for CADs could also spur innovation across the board; from design and manufacturing to new services, delivering significant benefits to consumers and to the GB economy.' To this end we encourage the government to continue efforts to pursue local and remote CAD pairing as a matter of urgency and not to simply settle on the remote route via a DCC User.*

23. Do you agree with the proposed approach and legal drafting in relation to which parties are eligible to subscribe for specific Organisation Certificates?

*A23. We have two observations regarding Remote Party Role Codes based on the document. Firstly there appears to be some ambiguity in relation to the last two sections of the Eligible Subscriber table:*

| | |
|---|---|
| | SEC Parties acting in the role of Registered Supplier Agent are the only Eligible Subscribers for Organisation Certificates with a Remote Party Role Code of Other User |
| | Any SEC Party, other than the DCC may be an Eligible Subscriber for Organisation Certificates with a Remote Party Role Code of Other User |

*Secondly we believe that further consideration should be given to Registered Supplier Agent roles insofar as some import suppliers may prefer to utilise such agents to process meter tariff changes. This would align with the current advanced meter market where it is predominantly the MOP who processes tariff changes utilising appropriate head-end systems and tariff scripts to deliver SSC tariff structures.*

General on SMKI

*UPL are conscious that some smaller suppliers may wish to utilise the services of a Registered Supplier Agent (RSA) to deliver the majority of their metering requirements where possible. With this in mind we would wish to understand how the SMKI arrangements could support RSA's offering combined meter asset provision, ordering and stocking of comms hubs and installation and commissioning such that the relevant SMKI certificates could be populated during commissioning to avoid the requirement to keep supplier-specific stock of identical assets.*