

Smart Metering Implementation Programme  
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By email only to: [smartmetering@decc.gsi.gov.uk](mailto:smartmetering@decc.gsi.gov.uk)

19 May 2015

Dear Sirs

**Smart Metering Implementation Programme: consultation on the Smart Metering Rollout Strategy**

Thank you for the opportunity to respond to the above consultation. This letter should be treated as a consolidated response on behalf of UK Power Networks' three distribution licence holding companies: Eastern Power Networks plc, London Power Networks plc, and South Eastern Power Networks plc. It is not confidential and can be published on DECC's website.

Where applicable we have provided answers to the consultation questions in the appendix to this letter and hope that you will find our comments helpful. If any part of our response requires further explanation or clarification, please do not hesitate to contact me.

Yours faithfully

Head of Regulation  
UK Power Networks

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## Appendix

### Smart Metering Implementation Programme: consultation on the Smart Metering Rollout Strategy

#### UK Power Networks' answers to the consultation questions

*Question 1: Do you agree with the minded to position to set a de-minimis obligation for all large suppliers to install, commission and enroll 1,500 SMETS2 meters or 0.025% of total meter points (whichever is the lower) within six months of DCC Live? Please explain your rationale and provide evidence.*

Yes, we agree with the minded to position to set a de-minimis obligation for larger suppliers. As an electricity distributor, we hold the view that SMETS1 meter volumes should remain as low as possible so as to avoid further diluting benefits and reducing industry costs (due to adoption and enrolment). The longer suppliers continue to install SMETS1 meters, the greater the erosion of benefits and the greater the costs of adoption and enrolment.

*Question 2: Do you agree that given the importance of consumers continuing to receive smart metering benefits upon change of supplier, all suppliers should be Users at DCC Live plus 12 months? Please provide evidence to support your position.*

Maximising the opportunity for SMETS2 meters to be installed by all parties is a positive outcome and, as explained in our answer to question 1, avoids a further dilution of benefits. We agree that all suppliers should be Users at DCC Live plus 12 months, as this appears to strike the balance for small suppliers yet maintains a six month SMETS2 interim obligation on larger suppliers.

*Question 3: Do you agree that given the importance of consumers continuing to receive smart metering benefits upon change of supplier, all suppliers should be Users at DCC Live plus 12 months? Please provide evidence to support your position.*

This question is a duplicate of the previous one, which we have answered above.

*Question 4: Do you agree that electricity DNOs should be mandated to be DCC Users from DCC Live? Please provide evidence to support your position.*

Our answer is written on the basis that the date for DCC Live is the Central Planning Assumption date of August 2016.

UK Power Networks has a Smart Programme which is targeting go-live in time for August 2016 (Central Planning Assumption). We would support a mandate which adds impetus to the Smart Programme and ensures that all market participants are pulling in the same direction.

Given the reduced criticality of DNOs being DCC Users from Go-Live and the opportunity in such a large programme for unforeseen issues prior to Go-Live (such as testing or Security Audit), we would highly recommend adopting a similar approach to the one taken for suppliers and mandating that all DNOs are DCC Users within a short period after Go-Live.

*Question 5: Would a direction from the Secretary of State, focused on electricity DNOs only, to be ready for Interface Testing provide additional impetus to be ready for DCC Live?*

Direction from a senior government office is often welcomed and may bring focus; however any benefits may be outweighed by the risks.

The growing disconnect between readiness for the start of Interface Testing and the Central Planning Assumption suggests more focused impetus would be beneficial in this area. We would question whether DCC could support additional users entering into Interface Testing within such a short period.

Finally, the gap between the start of Interface Testing and Go-Live could create resource challenges and require electricity distributors to maintain larger teams for longer than necessary, thus incurring additional costs.

*Question 6: Please provide views on whether IDNOs should be mandated to become DCC Users from DCC Live plus 12 months. Please provide evidence to support your position.*

We believe there are benefits in having the best visibility of all distribution network loads, and indeed these are stated in UK Power Networks' business plan dated March 2014. Mandating that IDNOs become Users within 12 months will support this objective.

*Question 7: Do you agree with the position not to mandate GTs and IGTs to become Users at the present time? Please provide evidence to support your position.*

We have no comments in respect of this question.

*Question 8: Are there benefits that could be driven by imposing a DCC Mandate for GTs and IGTs before the end of rollout? Please provide evidence to support your position.*

We have no comments in respect of this question.

*Question 9: Do you agree that 'Install and Leave' should be permitted where expected WAN coverage is not available; but only in cases where HAN is established? Please explain your rationale.*

We have no comments in respect of this question.

*Question 10: Do you think there are grounds for the Government enabling "proactive" Install and Leave and would your organisation use it as part of their rollout strategy? Please explain how you would mitigate the potential challenges to consumer experience.*

We have no comments in respect of this question.

*Question 11: Do you agree that the Government's minded to position on 'Install and Leave' should apply to both SMETS1 and SMETS2 installations? Please provide views on specific issues you think the Government would need to consider in implementing this provisional policy position; and in particular whether there is a suitable period of time during which we would expect WAN coverage to become available, where this has not been available on installation.*

We have no comments in respect of this question.

*Question 12: Do you agree that the Government does not need to regulate to exclude operation of SMETS meters in PPM mode from the scope of its minded to policy position on 'Install and Leave'? Please explain your company's strategy for handling PPM where the WAN is not available at the point of installation.*

We have no comments in respect of this question.

*Question 13: Do you agree with the proposal to enact the New and Replacement Obligation in mid-2018?*

We have no comments in respect of this question.

*Question 14: Do you agree with the proposal to set a SMETS1 end date of DCC Live plus 12 months? Please provide evidence for your answer.*

We agree with this proposal for the reasons stated in our answers to questions 1 and 2 above. However, we note that for smaller suppliers this date does not align well with the mandate to become DCC Users by DCC Live plus 12 months.

*Question 15: What are the advantages and disadvantages of a SMETS1 'cap' on individual suppliers both in combination with an End Date and as the sole means that SMETS1 meter installations are regulated? How could such regulation best be designed? Please provide evidence for your answer.*

We have no comments in respect of this question.