

Smart Metering Implementation Programme – Product Delivery
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Smart Metering Implementation Programme - A Consultation on New Smart Energy Code Content and Related Licence Amendments

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.

We welcome the opportunity to comment on the proposals and legal text for the Smart Energy Code (SEC) and the licences contained within the consultation. The SEC is a fundamental part of the regulatory framework for the roll-out of smart meters and is developing into an extensive regulatory document containing obligations and protections to industry participants and consumers.

EDF Energy is concerned by the proposed amendments to the liabilities set out in section M of the SEC. We recognise the need to constrain the liabilities that the DCC may be subject to in order to mitigate the risk of substantial costs being incurred. However, we believe the proposed changes go further than the intent and are too heavily weighted in favour of the DCC. They enable the DCC to be protected by unlimited liability for some of the data they may share; however, the same protection is not afforded to other Parties. Liability needs to be reflective of risk, we believe that these proposals need to be revisited and a fairer balance between the needs of the DCC and other Parties need to be found.

DCC Users are reliant on the performance of the DCC's Service Providers to ensure they are able to meet the needs of their customers and comply with their licence obligations. The development of a performance reporting regime that provides transparency to DCC Users and other key stakeholders of that performance is very important. EDF Energy supports the proposed changes to the performance reporting regime, although we would wish to see the reports on CSP performance broken down by region to understand any regional variations in performance.

EDF Energy believes that robust security arrangements are fundamental to protecting both, the smart metering equipment installed in customers' homes and the wider end to end smart metering architecture. The proposed licence amendments put forward in this consultation are appropriate and we support the ongoing development of a robust governance framework for security obligations. It needs to be ensured that the security



Attachment

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EDF Energy's response to your question

Performance Reporting

Q1. Do you have any comments on the additions to the Reported List of Service Provider Performance Measures (Annex E)? Do you have any comments on the revised legal drafting in Section H13 and the proposal to incorporate Section H13 into the SEC towards the end of 2015?

EDF Energy is supportive of the additions to the Reported List of Service Provider Performance Measures (Annex E), as it provides greater transparency into the performance of the DCC. We also have no objection to the revised drafting to Section H13 being incorporated into the SEC towards the end of 2015.

With regard to the additional Performance Measures proposed for the CSPs in Annex E, in order to avoid distortion of individual Service Provider information the performance should be published in a "by Region" format.

In addition to the aggregated published reporting, we believe that individual SEC Parties would benefit from receiving reports that demonstrated the impact of non-performance against each service level upon them by region.

Q2. Do you have any comments on the proposal for the Secretary of State to formally identify the initial Reported List of Service Provider Performance Measures?

EDF Energy has no objection to the proposal for the Secretary of State to formally identify the initial Reported List of Service Provider Performance Measures provided they have first been reviewed and agreed by the SEC Panel. The review by the SEC Panel is particularly important as a number of the metrics are subject to confidential minimum and target service levels that are not published in Annex E.

Scope of Risk Management Obligations for Users

Q3. Do you agree with the proposal, and associated legal drafting, to extend the scope of User risk management obligations to include systems that are used to secure communications with the DCC?

EDF Energy agrees that the scope of our risk assessment should include any system used to secure a connection or communications with the DCC. It is appropriate that User risk management obligations encompass all systems that are used to secure a connection or communication with the DCC.

without the knowledge and consent of the Authority, and the legal drafting reflects this requirement.

Security Licence Condition Covering DCC Enrolled Smart Meters

Q7. In relation to the proposed licence condition requiring suppliers to take all reasonable steps to secure systems used to communicate with DCC enrolled meters, do you agree with the proposed approach and legal drafting?

EDF Energy agrees with the proposed approach. These additional licence conditions support the focus that must be maintained on security of our customer's data, and continuity of their supply, within the enduring Smart Metering governance.

However, we do not agree with the proposed legal drafting. We believe that the scope of the systems covered must be aligned to the current SEC definition of "User Systems". The proposed inclusion within the legal drafting of the phrase "any other systems relied upon by the licensee for the purpose of generating, initiating or processing communications sent to or received from the DCC by such User Systems" is not acceptable. Use of this phrase would potentially increase the scope of these provisions beyond those documented in the SEC; this misalignment between the definitions in the SEC and in the licence could then create confusion and inconsistency.

Implementation Performance Regime

Q8. Do you have any comments on the scope for further amendments to each Implementation Due Date and Implementation Milestone Criteria?

EDF Energy accepts that, as a result of the alternative DCC delivery plan, that it does seem unreasonable that under the DCC Licence a review of the implementation Due Date and implementation Milestone Criteria can only take place once. We are supportive of the proposal that there should be scope for further amendments to each implementation Due Date and implementation Milestone Criteria. Our agreement is on the clear understanding tight controls remain in place to minimise costs and risks to Users and consumers.

Q9. Do you have any comments on the amendments to the definition of 'Baseline Margin Implementation Total'?

We have reviewed the proposed amendment to the definition of "Baseline Margin Implementation Total" from a non legal perspective and have no objection to the proposed change. Our agreement is on the clear understanding there are no changes to the Licensee's Baseline Margin Total (BMIT) value of £7.687m and the DCC achieve individual milestones in line with the provisions and dates shown in the Licence.

**EDF Energy
May 2015**