

## Consultation on Alternative HAN Solutions

### **Condition 55. Smart Metering – The Alt HAN Arrangements**

#### **Introduction**

55.1 This condition provides for specified holders of electricity and gas supply licences (acting collectively) to acquire and make available services to facilitate the installation and operation of equipment that will enable the extension of the HAN at relevant premises such that it:

- (a) extends into a relevant part of the premises; and
- (b) enables communications to be made between the parts of one or more Smart Metering Systems at such premises,

where one or both of those things cannot otherwise be achieved by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

#### **Principal Obligations**

55.2 Where the licensee is a Relevant Supplier it must, in conjunction and co-operation with all other Relevant Suppliers, ensure that:

- (a) Alt HAN Service Capacity is acquired on behalf of all Relevant Suppliers;
- (b) the Alt HAN Services are made available to each Relevant Supplier;
- (c) any Relevant Supplier which elects to acquire any Alt HAN Services may do so on reasonable terms; and
- (d) Alt HAN Services are provided to any Relevant Supplier which has elected to acquire them,

and must do so in each case by means of participation in the arrangements set out at Section Z of the Smart Energy Code.

55.3 Where the licensee is a Relevant Supplier it must take all reasonable steps to ensure that:

- (a) the acquisition of Alt HAN Service Capacity; and
- (b) the provision of the Alt HAN Services,

(in each case by means of the arrangements set out at Section Z of the Smart Energy Code) are both economic and efficient.

#### **Alt HAN Service Capacity**

55.4 For the purposes of this condition, **Alt HAN Service Capacity** means services which:

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- (a) are designed to determine which premises or groups of premises may benefit from the installation of Alt HAN Equipment;
- (b) involve the establishment and maintenance of a database of such premises;
- (c) are designed to establish which types of Alt HAN Equipment are likely to be the most cost-effective;
- (d) comprise:
  - (i) the development, design, design assurance, build, testing and configuration of Shared Solution Alt HAN Equipment;
  - (ii) the capability to provide, install, operate, maintain, modify and decommission Shared Solution Alt HAN Equipment;
  - (iii) the development, design and design assurance of Point-to-Point Alt HAN Equipment; and
  - (iv) to the extent to which it is economic and efficient to do so:
    - (A) the build, testing and configuration of Point-to-Point Alt HAN Equipment; and
    - (B) the capability to provide, install, operate, maintain, modify and decommission Point-to-Point Alt HAN Equipment;
- (e) involve the establishment and maintenance of a database which:
  - (i) includes data in respect of all Alt HAN Equipment which has been installed at premises in accordance with the Alt HAN Arrangements, and of the MPANs and MPRNs associated with each such premises; and
  - (ii) may include additional data in relation to any other Alt HAN Equipment and the premises at which it has been installed;
- (f) include any such arrangements for the financing of the costs of Alt HAN Equipment and of any of the services referred to in paragraphs (a) to (e) as are reasonably required for the purposes of acquiring, making available, using or giving effect to that equipment and those services; and
- (g) include any such legal, managerial, technical, financial, risk management or other professional services as are reasonably required for the purpose of acquiring, using or giving effect to any of the services referred to in paragraphs (a) to (f).

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### The Alt HAN Services

55.5 For the purposes of this condition, the **Alt HAN Services** means:

- (a) the provision, installation, operation, maintenance, modification and decommissioning of Shared Solution Alt HAN Equipment; and
- (b) where the capability required for this purpose is part of the Alt HAN Service Capacity, the provision, installation, operation, maintenance, modification and decommissioning of Point-to-Point Alt HAN Equipment.

### The Alt HAN Equipment

55.6 For the purposes of this condition, the **Alt HAN Equipment** means such equipment and apparatus as would be required by a Relevant Supplier in order to ensure that, in relation to any Smart Metering System at a Relevant Premises, the HAN:

- (a) extends into at least one part of that Relevant Premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); and
- (b) permits communications to be made between the parts of one or more Smart Metering Systems at that Relevant Premises,

where the Relevant Supplier would otherwise be unable, having taken all reasonable steps, to achieve either or both of those things by means of the equipment provided by the DCC in accordance with the Smart Energy Code.

### Relevant Premises

55.7 For the purposes of this condition, **Relevant Premises** means, in respect of a Relevant Supplier, any premises:

- (a) at which it is the Relevant Electricity Supplier or Relevant Gas Supplier (as the case may be);
- (b) at which there is installed a Smart Metering System; and
- (c) which is not Exempt Premises.

### Exempt Premises

55.8 For the purposes of this condition, **Exempt Premises** means any premises specified in, or falling within a description of premises specified in, the Exempt Premises List.

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55.9 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, establish and maintain the Exempt Premises List in accordance with this condition.

### Exempt Premises List

55.10 For the purposes of this condition, the **Exempt Premises List** means a list which specifies premises or descriptions of premises in respect of which, for one of the reasons specified in paragraph 55.11, the HAN need not either:

- (a) extend into at least one part of the premises as described in standard condition 49.4(c)(i) (Smart Metering System – Operational Requirement); or
- (b) permit communications to be made between the parts of a Smart Metering System, or between part of a Smart Metering System and another Smart Metering System at the premises.

55.11 The reasons specified in this paragraph are that the HAN need not have the specified capabilities because:

- (a) it would be technically impracticable for it to do so; or
- (b) though technically practicable, it could only be achieved at disproportionate cost,

in either case in consequence of the physical or other characteristics of, or any other relevant consideration with respect to, the specified premises.

55.12 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, and prior to any acquisition of Alt HAN Service Capacity of the type referred to at paragraph 55.4(d):

- (a) provide a draft of the Exempt Premises List to the Secretary of State;
- (b) together with that draft, provide to the Secretary of State information as to:
  - (i) the different service levels capable of being achieved by Alt HAN Equipment of different types or qualities;
  - (ii) the respective costs of such different types or qualities of Alt HAN Equipment;
- (c) provide to the Secretary of State all such further information related to Alt HAN Service Capacity as she may request;
- (d) make such changes to the draft Exempt Premises List as the Secretary of State may (following consultation with such persons as she considers appropriate) direct; and

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(e) obtain the approval of the Secretary of State to the Exempt Premises List.

55.13 The Exempt Premises List shall be treated as established for the purposes of this condition only when it has been approved by the Secretary of State.

55.14 Where the licensee is a Relevant Supplier, it must, in conjunction and co-operation with all other Relevant Suppliers, by means of participation in the arrangements set out at Section Z of the Smart Energy Code:

(a) review the Exempt Premises List at least once in each year following the Secretary of State's approval; and

(b) propose to the Secretary of State such revisions of the Exempt Premises List (if any) as may be necessary or appropriate in the light of the review.

55.15 The Secretary of State may at any time, following consultation with all Relevant Suppliers and such other persons as she considers appropriate, revise the Exempt Premises List in such manner, with effect from such time, and to such extent as she may specify.

55.16 The Secretary of State may, by means of a direction in accordance with this paragraph issued to the Authority and all Relevant Suppliers, provide that:

(a) any duty of the licensee under paragraph 55.12 or 55.14 expressed to be by reference to the Secretary of State and identified in the direction; or

(b) any function of the Secretary of State under paragraph 55.12, 55.12 or 55.15 identified in the direction,

shall, from such date as she may specify, be treated as a duty expressed by reference to, or a function exercisable by, the Authority in substitution for the Secretary of State.

55.17 The licensee must provide a copy of the Exempt Premises List to any person who requests it.

55.18 For the purposes of the approval of the Exempt Premises List or any subsequent revision of it by the Secretary of State or Authority in accordance with this condition, any question arising under paragraph 55.11 as to whether the HAN could have the specified capabilities only at disproportionate cost shall be determined by the Secretary of State or Authority (as the case may be) in such manner and by reference to such factors as she or it considers appropriate.

## Definitions

55.19 In this condition:

**Alt HAN Equipment** has the meaning given to it in paragraph 55.6.

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<b>Alt HAN Service Capacity</b>	has the meaning given to it in paragraph 55.4.
<b>Alt HAN Services</b>	has the meaning given to it in paragraph 55.5.
<b>Energy Supplier</b>	means a person Authorised by an Electricity Supply Licence to supply electricity or a Gas Supply Licence to supply gas.
<b>Exempt Premises</b>	has the meaning given to it in paragraph 55.8.
<b>Exempt Premises List</b>	has the meaning given to it in paragraph 55.10.
<b>Point-to-Point Alt HAN Equipment</b>	means equipment which fulfils the function of Alt HAN Equipment in respect of only one Relevant Premises.
<b>Relevant Premises</b>	has the meaning given to it in paragraph 55.7.
<b>Relevant Supplier</b>	means an Energy Supplier which is required in accordance with standard condition 39 of an Electricity Supply Licence or standard condition 33 of a Gas Supply Licence to install a Smart Metering System at any premises.
<b>Shared Solution Alt HAN Equipment</b>	means equipment which fulfils the function of Alt HAN Equipment in respect of more than one Relevant Premises.