

Smart Metering Implementation Programme  
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By email

17<sup>th</sup> October 2016

**British Gas response to the BEIS consultation on “Smart Energy Code and Licence Amendments – September 2016”**

British Gas welcomes the opportunity to comment on the implementation of the policy proposals contained within the consultation document.

Our detailed responses to the consultation questions are attached in Appendix 1.

**Question 1. Do you agree that the legal drafting implements reactive I&L policy as proposed? Please provide a rationale for your views?**

- 1.1 Yes, we agree that the legal drafting does implement the reactive I&L policy as proposed. However, we do have some minor comments on the legal drafting and have detailed these below and within our response to question 3.
- 1.2 The proposed drafting of Electricity Supply Licence condition 41.23 and 42.16 (and the equivalent Gas Supply Licence conditions) makes reference to 'establishment of the SM WAN'. This is inconsistent with wording within the Smart Energy Code (SEC) as references are to 'connecting' to the SM WAN rather than establishing it. The provision of the SM WAN is the responsibility of the Data Communications Company (DCC). Therefore the supplier does not establish the SM WAN; they make a connection to it.
- 1.3 We do not ever envisage using reactive I&L for prepayment customers. We agree that BEIS do not need to create regulation to prevent suppliers from doing reactive I&L for prepayment customers as the barriers to do so are already significant. However, one concern that we do have is that, where reactive I&L would apply, we may be unable to report no SM WAN to the DCC as we would not carry out the SMETS2 meter install for a prepayment customer. This would mean that the communications hub was not installed and the DCC SLA for no SM WAN would not commence.
- 1.4 There have also been other operational issues raised with Install & Leave that are subject to ongoing discussions within BEIS programme meetings (e.g. at TBDG). We would welcome further discussions on these matters in order to come to a satisfactory resolution for each and every one of them. We do not believe that these issues prevent the implementation of I&L within the licence and that the resolution of them is unlikely to require any further licence amendments. We expect the majority of issues will need to be resolved through alternative approaches agreed between suppliers and the DCC (e.g. an 'offline' way of commencing the SLA for No WAN under circumstances where a supplier is unable to install a communications hub).
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**Question 2. Do you agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters? Please provide a rationale for your views.**

- 2.1. Yes, we agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters.
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**Question 3. Do you agree that the legal drafting implements proactive I&L policy as proposed? Please provide a rationale for your views.**

- 3.1. We agree with the majority of the legal drafting for proactive I&L but have some comments over the proposed definition for Mandatory Replacement Electricity / Gas Meter. The definition is very prescriptive in terms of the relevant legislation that can apply and this may not account for all scenarios where a meter may need to be replaced. For example, a meter may need to be removed under Electricity Supply Licence condition 50.7 (Return of Apparatus) but it would not be a candidate for proactive I&L under the proposed legal drafting. Other examples include where the supplier removes a meter under schedule 2B of the Gas Act and Schedules 6 and 7 of the Electricity Act (e.g. faulty meters).
- 3.2. An alternative approach would be to make reference to Replacement Meter as used in Electricity Supply Licence condition 39. This is a more broad definition and would allow proactive Install & Leave in more scenarios. Whilst we agree that I&L should not be proactively carried out unless necessary, a more broad definition may remove the need for suppliers to install traditional or non-SMETS meters, where a supplier needs to remove a meter, for what may be a relative short timeframe. This would in turn avoid additional unnecessary costs and also be less of a burden on the consumer who would otherwise be subject to twice the amount of necessary meter exchanges.
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**Question 4. Do you agree that the proposed legal drafting accurately reflects our policy intention on maintenance and replacement of smart metering systems? Please provide a rationale for your views.**

- 4.1 Yes, we agree that the proposed legal drafting accurately reflects the policy intention on maintenance and replacement of smart metering systems.
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**Question 5. Do you agree with the legal drafting of the proposed amendment to the electricity supply licence condition 50 regarding change of suppliers? Please provide a rationale for your views.**

- 5.1. We do not believe that the current drafting within Electricity Supply Licence condition 50.3 creates duplication and therefore the proposed changes appear somewhat unnecessary. We believe that suppliers can already fulfil the obligation within Electricity Supply Licence condition 50.3 by relying on the D0150 industry data flow and therefore the licence does not need amending to allow them do so. The licence condition sets out the general requirement and does not, and does not need to, specify how this is achieved.

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**Question 6. Do you agree with the proposal and associated legal drafting to introduce additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC? Please provide a rationale for your views.**

- 6.1. We agree with the proposal and associated legal drafting to introduce additional requirements for the DCC to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC.

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**Question 7. Do you agree with the proposal and associated legal drafting (amendments to Section D) to clarify when and how testing requirements should be considered, for SEC Modification Proposals? Please provide a rationale for your views?**

- 7.1. We agree with the proposal and associated legal drafting to clarify when and how testing requirements should be considered for SEC Modification Proposals.
- 7.2. Although not currently specified as a requirement within the SEC, the Modification Proposal process administered by SECAS already includes the gathering of testing requirements for inclusion in the Modification Report. This is an important part of the process and we are therefore supportive of this arrangement being clarified as a requirement within the SEC.

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**Question 8. Do you agree with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests? Please provide a rationale for your views.**

- 8.1. Yes, we agree with the proposal and associated legal drafting that will require the DCC to provide enduring RDP Entry Process Tests. It is important that if a new RDP enters the market,

and is appointed by a network licensee, that the RDP can carry out the necessary equivalent SIT testing. This will be required to provide the necessary assurances prior to commencing provision of live registration data to the DCC that will subsequently be relied upon by Users for the effective operation of the Total System.

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**Question 9. Do you think that is appropriate that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests) be permitted to use this testing service? Please provide a rationale for your views.**

- 9.1. We believe it would be appropriate for a new Electricity Distribution Licensee or Gas Transportation Licensee holder, to be permitted to use this testing service when they have opted to use the services of an existing RDP. This would be necessary to allow the new license holder to carry out their own end-to-end testing with the DCC (if they chose to do so).

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**Question 10. Do you agree with the proposal and associated legal drafting to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD? Please provide a rationale for your views.**

- 10.1. We agree with the proposal and associated legal text as this simply formalises within the SEC the rights already contained in the ETAD. We believe it is appropriate for such rights to be supported by explicit SEC text as being proposed in Section H14.

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**Question 11. Do you agree with the proposal and associated legal drafting to clarify the requirements around Test Communications Hubs? Please provide a rationale for your views?**

- 11.1. We welcome the clarification within Section F10.2 that the DCC's obligation to provide Test Communications applies to the provision of every combination of HAN and WAN variant Test Communication hub.
- 11.2. We would expect the DCC to be able to provide every variant to Testing Participants as and when required. We cannot foresee circumstances which would lead to the DCC being unable to comply with this requirement. However, in the unlikely event that such a situation did occur, and the DCC deemed it not reasonably practicable to provide Test Communications Hubs, we agree that the DCC would need to justify this with a suitable statement, and provide appropriate evidence, and that this decision could be appealed by Testing Participants.

- 11.3. We cannot envisage a scenario where it would not be reasonably practicable for the DCC to provide variant communications hubs at the DCC's physical test laboratories. This would be an unacceptable situation and we therefore do not agree with that the additional legal drafting within Section H14.9A and H14.9B.

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**Question 12. Do you agree with the proposed changes and legal drafting in relation to Section N? Please provide any rationale?**

- 12.1. Yes, we agree with the proposed changes and legal drafting in relation to the Enrolment of SMETS1 meters as detailed in Section N.
- 12.2. We believe it is important that the DCC has all the necessary information it requires in order to assess the feasibility of enrolling each and every cohort of meter and, that when directed to do so, each supplier should provide such information to the DCC.

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**Question 13. Do you agree that the legal drafting implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision?**

- 13.1. Yes, we agree that the legal drafting successfully implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision document. These changes are required within the SEC as, unlike other codes, the Significant Code Review process is contained within the SEC (rather than within the licence that contains the requirement for the Code).

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**Question 14. Do you have any comments on the proposed changes to Section H and Section I? Please provide a rationale for your views?**

- 14.1. We agree that the changes to the User Entry Guide contained within Section H1.8 will help to ensure that any new entrant, looking to become a DCC User with a User Role of Other User, is aware of their obligations relating to the Processing of Personal Data. Any guidance developed by Ofgem and/or BEIS regarding Other Users' obligations in respect of data protection should be made freely available and, we would suggest, is also available on the SECAS website (alongside the User Entry Guide).

- 14.2. In general, we believe that the data privacy framework for smart metering is excessive and should have been subject to a full review prior to DCC Live and the mass rollout of SMETS2 meters. We acknowledge that BEIS will be carrying out a deferred review in 2018 but, by this time, the rollout will be significantly advanced. It may well be too late to then maximise the benefits from the review.

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**Question 15. Do you agree with the proposals to make certain transitional variations described in Chapter 3.4 enduring? Please provide a rationale for your views.**

- 15.1. We agree with the proposals that make certain transitional variations as described in Chapter 3.4 enduring. We accept that these transitional variations were created as there was insufficient time for DECC to use Section 88 powers to make the arrangements enduring within the SEC at the time.
- 15.2. We are also supportive of the amendment to the definition of User System and, in particular, the removal of references to those systems that communicate with the SMKI Repository and those systems that communicate with the SMKI Issuing Authorities in relation to Devices that do not have an SMI Status of “commissioned” or “installed not commissioned”. We agree that, from a security perspective, it is not necessary for these systems to be explicitly included within the definition.
- 15.3. We agree that prospective Users, that intend to submit Service Requests to the DCC, should be subject to the requirements of Section H3.22 and provide the required 8 month forecast to the DCC.

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**Question 16. Do you agree with the proposal to revise the RDP Systems definition and the associated legal drafting? If not, please provide a rationale.**

- 16.1. Yes, we agree with the proposal to revise the RDP Systems definition and the associated legal drafting.
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**Question 17. Do you agree with our proposals for how multiple Technical Specifications and GBCS should be managed within the Code and do you have any comments on the proposed changes to supply licence conditions, the DCC licence and the SEC in order to give effect to them?**

- 17.1. Yes, we agree with the proposals for how multiple Technical Specifications and GBCS should be managed within the Code.

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**Question 18. Do you agree with our proposed approach to facilitating multiple versions of DUIS (and associated versions of the Message Mapping Catalogue and Parse and Correlate software)?**

- 18.1. Yes, we agree with the proposed approach to facilitating multiple versions of DUIS and associated versions of the MMC and Parse and Correlate software.

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**Question 19. Do you agree with the proposals to make the changes set out in the Minor Miscellaneous Changes chapter and do you agree with the associated legal drafting? Please provide a rationale for your view.**

- 19.1. Yes, we agree with the proposals to make the changes set out in the Minor Miscellaneous Changes chapter and the associated legal drafting. We believe that these changes are necessary to either correct minor errors or to add further clarity to the relevant SEC text.
- 19.2. We are also supportive of the removal of the two transitional variations that the SEC Panel has determined should be part of the enduring June 2017 SEC release. However, we now envisage that these transitional elements may well not be delivered until a later SEC release. We believe that, as the proposed legal text allows for a further date to be specified by the Secretary of State, that this does not impact on the proposed legal text and therefore the amendments should still be made.

END.