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| Smart Metering Implementation Programme |
| ­­  Operational transition of smart meters: Statement of Requirements including guidance, criteria and application forms for a derogation from the SMETS1 end date  4 December 2017  6 |
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| Operational transition of smart meters: Statement of Requirements including guidance, criteria and application forms for a derogation from the SMETS1 end date  The consultation can be found on the BEIS section of GOV.UK:  <https://www.gov.uk/beis> [link] |
| This document can be found on GOV.UK: <https://www.gov.uk/government/consultations/the-operational-transition-of-smart-meters-including-draft-legal-text>  © Crown copyright 2017  You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence.  To view this licence, visit [www.nationalarchives.gov.uk/doc/open-government-licence/](http://www.nationalarchives.gov.uk/doc/open-government-licence/) or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: [psi@nationalarchives.gsi.gov.uk](mailto:psi@nationalarchives.gsi.gov.uk). |

Any enquiries regarding this publication should be sent to us at [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk).

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# General information

## Purpose of this document

This document is intended for use by energy suppliers considering applying for a derogation from the SMETS1 end date. It should be read alongside the Government Response to the consultation on the Operational Transition of Smart Meters.

**Issued**: 4 December 2017

**Applications should be submitted by**: 5pm on 5 January 2018

**Enquiries to:** [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk)

Nicola Barber

Smart Metering Implementation Programme - Policy and Consumers Team  
Department for Business, Energy & Industrial Strategy,  
5th Floor Victoria 3,  
1 Victoria Street,  
London, SW1H 0ET

## **How to submit an application**

Applications should be submitted by email to [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk) and hardcopy responses sent to the BEIS postal address above will also be accepted. An acknowledgement of receipt will be sent from BEIS to the applicant. Applicants should contact BEIS if they have not received an acknowledgement within 2 days of submitting their application.

### Additional copies:

You may make copies of this document without seeking permission. An electronic version can be found at GOV.UK: <https://www.gov.uk/government/consultations/the-operational-transition-of-smart-meters-including-draft-legal-text>

Other versions of the document in Braille, large print or audio-cassette are available on request. This includes a Welsh version. Please contact us under the above details to request alternative versions.

## Confidentiality and data protection

Information regarding derogations granted will be published on the SECAS website (subject to any redactions needed to address commercial sensitivities). Section 105 of the Utilities Act 2000 prevents BEIS from disclosing information obtained as part of the supplier’s application for a derogation where it relates to an individual energy supplier’s business and the energy supplier has not given consent for disclosure, subject to the exceptions to the prohibition in section 105. This restriction extends to Freedom of Information Requests. Requests for environmental information are dealt with under the Environmental Information Regulations 2004. Under this legislation, there is an exception from the duty to disclose information where the information is confidential or commercially sensitive, although this is considered on a case by case basis in accordance with the public interest.

BEIS will not disclose to other parties, except Ofgem, any redacted commercially sensitive information submitted by an individual energy supplier as part of its application for a derogation, in a manner in which the particular energy supplier is identified, unless [required to be disclosed by law or by any competent authority and ]an exception to the prohibition in section 105 applies. BEIS may use the information from energy suppliers to inform policy development and aggregated information may be disclosed or published by BEIS at its discretion, including (for example) where this is required by law, where BEIS needs to inform Parliament of progress, or where the information supports a particular policy proposal on which BEIS needs to consult. BEIS intends to report summary information in its smart metering annual report. Information which is released as part of this report will be anonymised and aggregated as necessary to ensure that it remains appropriately protected.

Information provided on a voluntary basis and outside the scope of the information required as part of the derogation process, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If you want information that you provide to be treated as confidential please say so clearly in writing when you send us your evidence. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation and may consult you further at the time of the request, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

1. Introduction

1. The SMETS1 end date is one of a number of milestones intended to drive the deployment of devices that meet the requirements of the second principal version of the Smart Metering Equipment Technical Specifiation (SMETS2). The Government has consulted and concluded on proposals to provide suppliers who meet a set of eligibility and evidence criteria with a 6 month derogation from the SMETS1 end date. This document accompanies the Government Response to the consultation on Operational Transition of Smart Meters and is intended for energy suppliers who are considering applying for a derogation from the SMETS1 end date.
2. This document is split into three sections:
   1. Practical Information - including information on how to apply for a derogation and next steps once an application has been submitted.
   2. Derogation Criteria – this is split into two parts: Part A, Eligibilty Criteria and Part B, Approval Criteria.
   3. Application forms – there are three application forms: Part A, Part B and Annex to Part B
3. The derogation arrangements will be implemented through modifications to the Smart Energy Code, drafts of which will be laid before Parliament on 4 December 2017 and which are expected to come into effect, subject to no objections raised in Parliament, in early February 2018.
4. The derogation arrangements allow for actions taken before they come into legal effect to be treated as actions taken and having effect under the arrangements from the date that they do come into effect. In light of this the Secretary of State intends to initiate the derogations process now in order to allow energy suppliers to understand whether or not they are granted a derogation as early as is practicable. It should be recognised that implementing the changes in the SEC to allow for the derogation arrangements is subject to the Parliamentary process referred to above and consequently any ability for the Secretary of State to grant a derogation is dependent upon the outcome of this process.
5. Practical Information
6. This section provides practical information on the application and decision making process for a derogation from the SMETS1 end date.

**What is a derogation?**

1. A derogation means a direction issued by the Secretary of State:

(a) to the Supplier Party which applied for it;

(b) in respect of a Version of the SMETS with a Principal Version number of 1;

(c) specifying a date subsequent to the General Installation End Date in respect of that Version of the SMETS (the “Alternative Installation End Date”), which will, for the purposes of the installation or provision of Devices or apparatus by or on behalf of the Supplier Party in accordance with any conditions of the Derogation, constitute the Installation End Date;

(d) specifying any such conditions to which the Derogation is subject.

**Who can apply for a derogation?**

1. Only licenced energy suppliers can seek a derogation. Section 3 of this document sets out the eligibility criteria and approval criteria which energy suppliers must meet.

**How can I apply?**

1. All derogation applications should be submitted on the three application templates for Part A, Part B and Annex to Part B (see Section 4) and e-mailed to [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk) or by hard copy to:

Nicola Barber

Smart Metering Implementation Programme - Policy and Consumers Team  
Department for Business, Energy & Industrial Strategy,  
5th Floor Victoria 3,  
1 Victoria Street,  
London, SW1H 0ET

1. All applications should have a named point of contact who can respond to BEIS queries.

**Can I re-submit an application?**

1. Applicants must submit a single application. BEIS may contact an applicant to clarify information in an application but there will be no opportunity to re-submit applications after the closing date.

**What information will BEIS require to issue a derogation?**

1. The information we require in order to assess your application is outlined in the derogation criteria in Section 3.

**Can an energy supplier apply for a derogation in conjuction with another supplier (for example an affiliate)?**

1. Yes an energy supplier can apply for a derogation in conjunction with one or more other suppliers (for example affiliates). Where an energy supplier is seeking a derogation to be issued in conjuction with one or more other suppliers, this should be made clear in the application. Derogations may be issued on a group basis, for example such that any limit on the quantity of additional SMETS1 Smart Metering Systems that may be installed will be applied across the group as a whole.

**When should I apply?**

1. The application process will open on 4 December 2017. Applications must be received by BEIS no later than 5pm on Friday 5 January 2018. BEIS reserves the right not to consider applications received after this time and will acknowledge receipt of applications received. Applicants should contact BEIS if they have not received an acknowledgement within 2 working days of submitting an application.

**How quickly will BEIS grant derogations?**

1. We recognise the need to make decisions quickly to provide energy suppliers with certainty and expect to make informal outcomes available to applicants by the end of January 2018. Formal outcomes will be subject to the Parliamentary Process completing which is expected to be in early February 2018. We will seek any clarifications on information submitted as early as possible.

**Who will decide applications?**

1. Assessment of applications will be completed by BEIS. The Secretary of State will decide whether to approve or reject an application. In practice the approvals will be administered on behalf of the Secretary of State by authorised officials in BEIS.

**How will I know if I have been successful?**

1. Where an application is approved, a direction will be issued by the Secretary of State to that effect. This will set out conditions of the derogation. In advance of the direction being issued applicants will be informally notified of the outcome of their application by e-mail to the named contact.

**How will I know if I have been unsuccessful?**

1. If an application is unsuccessful, BEIS will write to the applicant informing them that their application has not been successful and outlining the reasons for rejection.

**Can a derogation be revoked?**

1. Yes, for example if there was a significant change to the SMETS1 end date it may be appropriate for BEIS to revoke a derogation and re-run the process.

**Can a derogation be amended?**

1. Yes, for example if there was a change to the SMETS1 end date it may be appropriate for BEIS to amend a derogation to reflect a shift to the end date.

**Can a supplier seek to amend a derogation?**

1. Derogations will always need to be amended by the Secretary of State but a supplier could approach BEIS to ask for an amendment to be considered. We would expect an amendment only to be made in exceptional circumstances.

**How long will a derogation last?**

1. Derogations are expected to be for a 6 month period from the SMETS1 end date (currently expected to be 13 July 2018). The SMETS1 end date will be confirmed in January 2018 and is not expected to change after that.

**Will there be a limit on the number of SMETS1 meters that can be installed after the SMETS1 end date?**

1. Yes. The cap will be set at 80% of an energy supplier’s Q3 2017 smart meter installations or 40% of an energy supplier’s Q2 2018 forecast smart meter installations. Energy suppliers will have the option to chose which cap they want to include in their derogation application.. The amount each energy supplier can install will be set out in their derogation conditions when the derogation is granted. Energy suppliers will not necessarily be granted a derogation which allows them to install to the maximum possible cap. Where a group derogation is sought, all suppliers in the group should choose the same cap.

**Can I install SMETS1 capable meters during the derogation period and subsequently upgrade them to be SMETS1 compliant?**

1. No. Only SMETS1 compliant meters can be installed under the derogation.

**Will the derogation be subject to any other conditions?**

1. It is possible that derogations will be subject to certain conditions. These will be considered on a case by case basis.

**Will the derogation be published?**

1. Yes, information regarding derogations granted will be published (subject to any redactions needed to address commercial sensitivities).

**How will compliance with the derogation be enforced?**

1. Ofgem will be responsible for monitoring compliance and enforcement, in line with their enforcement guidelines. BEIS will share relevant information with Ofgem to support these activities.

**How will BEIS treat information provided on a mandatory basis as part of the derogation process?**

1. Information regarding derogations granted will be published on the SECAS website (subject to any redactions needed to address commercial sensitivities). Section 105 of the Utilities Act 2000 prevents BEIS from disclosing information obtained as part of the supplier’s application for a derogation where it relates to an individual energy supplier’s business and the supplier has not given consent for disclosure, subject to the exceptions to the prohibition in section 105. This restriction extends to Freedom of Information Requests. Requests for environmental information are dealt with under the Environmental Information Regulations 2004. Under this legislation, there is an exception from the duty to disclose information where the information is confidential or commercially sensitive, although this is considered on a case by case basis in accordance with the public interest.
2. BEIS will not disclose to other parties, except Ofgem, any redacted commercially sensitive information submitted by an individual energy supplier as part of its application for a derogation, in a manner in which the particular supplier is identified, unless [required to be disclosed by law or by any competent authority and ]an exception to the prohibition in section 105 applies. BEIS may use the information from energy suppliers to inform policy development and aggregated information may be disclosed or published by BEIS at its discretion, including (for example) where this is required by law, where BEIS needs to inform Parliament of progress, or where the information supports a particular policy proposal on which BEIS needs to consult. BEIS intends to report summary information in its smart metering annual report. Information which is released as part of this report will be anonymised and aggregated as necessary to ensure that it remains appropriately protected.

**How will BEIS treat information provided on a voluntary basis?**

1. Information provided on a voluntary basis and outside the scope of the information required as part of the derogation process, including personal information, may be subject to publication or disclosure in accordance with the access to information legislation (primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004). If you want information that you provide to be treated as confidential please say so clearly in writing when you send us your evidence. It would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation and may consult you further at the time of the request, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

**How will BEIS store data?**

1. The Programme is committed to the safe storage of information and will provide extra protection for data or information that is deemed personal or commercially sensitive, operating in accordance with best practice as set out in the Data Handling Procedures in Government: Report 2008, the Data Protection Act 1998, and the restrictions on disclosure set out in section 105 of the Utilities Act 2000.
3. Derogation Criteria
4. This section sets out the derogation criteria. The criteria are separated into two parts. The first part, Part A, looks at whether an applicant is eligible in principle for consideration. Applicants who demonstrate eligibility in Part A can proceed to the second part, Part B, which sets out the approval criteria. Applicants for a derogation should be mindful of the following when applying:
5. If all the criteria are met, the Secretary of State will determine the quantity of any derogation, also taking into account the desire to limit the number of SMETS1 devices installed after the SMETS1 end date.
6. The Secretary of State will retain the right to attach conditions to the derogations, for example a requirement for a statement from a suitably competent independent organisation that any SMETS1 devices installed after the end date have been installed in a manner consistent with the terms of the derogation.
7. BEIS is not underwriting that a derogation will fully mitigate transition risks; use of additional flexibility lies with the applicant.
8. If the SMETS1 end date were to change, depending on the length of the change, BEIS would consider whether the existing derogations granted should be amended or the process re-run (and in which case derogations that had been granted may be revoked).
9. Derogations are only applicable for installations of SMETS1 compliant meters.
10. Ofgem will be responsible for monitoring compliance and enforcement, in line with their enforcement guidelines. BEIS will share relevant information with Ofgem to support these activities.
11. Where two or more suppliers apply on a group basis for a derogation, they will be assessed on a group basis (for example the rate of rollout will be assessed in aggregate across the group of applicants).

**Part A: Eligibility criteria - is the applicant eligible in principle for consideration?**

1. The table below sets out the first part of the derogation application process. A pro forma response template with response sections is provided in Section 4 of this document.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| # | Criterion | Rationale | Evidence required (in Nov/Dec application) | Scoring |
| 1 | Applicant is a licensed domestic or non-domestic energy supplier in Great Britain, serving premises within the scope of the Smart Metering Implementation Programme. | Provisions apply to GB energy suppliers only | Energy suppliers may self-certify that they meet this criterion. | **Yes** - continue  **No** - reject |
| 2 | Applicant is currently deploying or planning to deploy before the SMETS1 end date a significant quantity of SMETS1 compliant electricity and/or gas meters (in proportion to the number of customers it supplies) | Energy supplier must have a material operational and commercial[[1]](#footnote-2) challenge in conducting a transition at scale | If currently deploying – the rate of electricity and gas smart meter deployment per month averaged across July, August, and September 2017 or forecast across April, May and June 2018 exceeds a de minimis threshold of >0.25% of energy supplier’s total mandated meter portfolio as at the end of September 2017. [[2]](#footnote-3) If planning to deploy – the rate of electricity and gas smart meter deployment planned per month (to be credibly supported by the plan submitted for Part B Criterion 1) averaged across April, May and June 2018 exceeds a de minimis threshold of >0.25% of energy supplier’s total mandated meter portfolio as at the end of September 2017. | **Yes** - continue  **No** - reject |
| 3 | Applicant is in a position to operate SMETS2 meters | Energy supplier has demonstrated the capabilities needed to operate SMETS2 meters enrolled in DCC’s systems | At the point of application, applicant has confirmation from DCC/SECAS that the applicant is a DCC User in the User Role of Gas Supplier and/or Import Supplier (as relevant). | **Yes** - continue  **No** - reject |

1. If an applicant scores “yes” to all sections of Part A then they are eligible and can proceed to the approval criteria. If they answer “no” to any section in Part A then their application is ineligible and will be rejected.

**Part B: Approval criteria - should the eligible applicant be granted a derogation?**

1. The table below sets out the second part of the derogation application process. A pro forma response template with word limits for each section is provided in Section 4 of this document.

| # | Criterion | Rationale | Evidence required (in Nov/Dec application) | Scoring |
| --- | --- | --- | --- | --- |
| 1 | The eligible applicant has demonstrated a clear plan to complete an effective transition from SMETS1 to SMETS2 by 13 July 2018 | Derogation is designed to mitigate (either wholly or partially) the residual risk of a well-planned transition; rather than to make a transition feasible where it was not previously possible | The applicant to provide evidence of a well-planned and resourced transition which will complete the cutover from SMETS1 to SMETS2 by 13 July 2018, via completion of Annex B pro forma [2500 words maximum] | **Pass**, if evidence of a clear plan to achieve a successful transition  Or **fail** otherwise |
| 2 | Eligible applicant has taken reasonable steps to mitigate the operational and commercial impacts of transitioning from SMETS1 to SMETS2 electricity and gas meters | The derogation is designed to assist with the residual risks that remain despite the reasonable efforts of the applicant to mitigate as much risk as possible. | Explanation of steps taken to mitigate the operational risks of transition [500 words]  Explanation of steps taken to mitigate the commercial risks of transition [500 words] | **Pass**, if evidence shows appropriate actions to mitigate operational and/or commercial impact of transition    Or **fail** otherwise |
| 3 | Material residual risks remain despite reasonable efforts by the applicant to mitigate them that could be relieved in whole or part through a derogation. | Derogation will not be granted if the operational and commercial risks of transition can be reasonably mitigated otherwise. | Statement of the principal operational and commercial risks that remain despite mitigating actions and explanation of impact [500 words]    Cause and quantum of the likely financial impact of the residual risks  [250 words]    Explanation of how the applicant would use the additional flexibility to reduce these residual risks [500 words] | **Pass**, if significant residual risks remain that could be mitigated through a derogation  Or **fail** otherwise |
| 4 | The derogation quantity requested is proportionate to the level of residual risk, within the quantity cap and will be deployed within 6 months of 13 July 2018. | This criterion is designed to keep additional numbers of SMETS1 meters within bounds, consistent with the policy objective of transitioning to SMETS2 meters as soon as possible.    Quantity cap is 80% of 3-month smart meter deployment quantity for July, August, and September 2017, or 40% of 3-month forecast of smart meters deployment quantity for April, May and June 2018 deployed within 6 months of 13 July 2018. This figure should take into account mitigating action taken. | Applicant to specify whether the quantity is referenced to actual smart meter installations in July, August and September 2017 or planned smart meter installations in April, May and June 2018.  Quantity of SMETS1 compliant electricity meters to be deployed after 13 July 2018    Quantity of SMETS1 compliant gas meters to be deployed after 13 July 2018    Explanation of how the requested quantity is consistent with the risk to be mitigated and will be installed by no later than 13 January 2019.  [500 word limit] | **Pass**, if reasonable, within quantity cap and planned to complete before 13 Jan 2019  Or **fail** otherwise |
| 6 | If deemed eligible, how will the applicant demonstrate to BEIS and Ofgem that they will install SMETS1 compliant devices after the SMETS1 end date in a manner that is consistent with the derogation in terms of complying with the time limit and quantity cap? [250 words] | | | **Pass** (if reasonable plans to demonstrate compliance with derogation requirements)  Or **fail** otherwise |

1. If an applicant is able to “pass” all sections of Part B then they will be granted a derogation. If they “fail” any section in Part B then a derogation will not be granted. Application forms are set out in Section 4 below.
2. Application forms
3. All forms must be completed with reference to the derogation criteria set out in Section 3 above. Forms can be completed in A3 size to accommodate sections with large amounts of text. Any queries should be sent to [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk) . Completed forms, both Part A and Part B and Annex to Part B, should be submitted to BEIS by 5pm, Friday 5 January 2018 at [smartmetering@beis.gov.uk](mailto:smartmetering@beis.gov.uk) or by post to :

Nicola Barber

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London, SW1H 0ET

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| --- | --- | --- |
| APPLICATION FOR DEROGATION FROM SMETS1 END DATE – PART A: EVIDENCE OF ELIGIBILITY | | |
| Organisation name: |  | |
| Name of contact: |  | |
| Contact e-mail address: |  | |
| Contact telephone number: |  | |
| Criterion 1: Applicant is a licensed domestic or non-domestic energy supplier in Great Britain, serving premises within the scope of the Smart Metering Implementation Programme.  Evidence required: Energy suppliers may self-certify that they meet this criterion | | |
| [applicant to enter details here] | | Column for BEIS use only |
| **Criterion 2:** Applicant is either currently deploying or planning to deploy before the SMETS1 end date a significant quantity of SMETS1 compliant electricity and gas meters (in proportion to the number of customers it supplies) .  **Evidence required:** If currently deploying - the rate of electricity and gas smart meter deployment per month averaged across July, August and September 2017 exceeds a de minimis threshold of >0.25% of energy supplier’s total mandated meter portfolio as at the end of September 2017. If planning to deploy – the rate of electricity and gas smart meter deployment planned per month (to be credibly supported by the plan submitted for Part B Criterion 1) averaged across April, May and June 2018 exceeds a de minimis threshold of >0.25% of energy supplier’s total mandated meter portfolio as at the end of September 2017 | | |
| [applicant to enter details here] | |  |
| **Criterion 3**: Applicant is in a position to operate SMETS2 meters  Evidence required: At the point of application, applicant has confirmation from DCC/SECAS that the applicant is a DCC User in the User Role of Gas Supplier and/or Import Supplier (as relevant) | | |
| [applicant to enter details here] | |  |

1. If an applicant scores “yes” to all sections of Part A then they are eligible and should complete Part B, the approval criteria. Applicants who are eligible for Part A should submit both Part A and Part B as part of their application.

| APPLICATION FOR DEROGATION FROM SMETS1 END DATE – PART B: EVIDENCE TO SUPPORT APPROVAL OF DEROGATION | | |
| --- | --- | --- |
| Organisation name: |  | |
| Name of contact: |  | |
| Contact e-mail address: |  | |
| Contact telephone number: |  | |
| Criterion 1: The eligible applicant has demonstrated a clear plan to complete an effective transition from SMETS1 to SMETS2 by 13 July 2018.  Evidence: The applicant to provide evidence of a well-planned and resourced transition which will complete the cutover from SMETS1 to SMETS2 by 13 July 2018. | | |
| Please use Annex A below for this criteria. Do not enter any information in this box. | | Column for BEIS use only |
| Criteria 2: The eligible applicant has taken reasonable steps to mitigate the operational and commercial impacts of transitioning from SMETS1 to SMETS2 electricity and gas meters.  Evidence: 1) Explanation of steps taken to mitigate the operational risks of transition [500 words} 2) Explanation of steps taken to mitigate the commercial risks of transition [500 words] | | |
| [applicant to enter details here: maximum 500 words for point (1), maximum 500 words for point (2)] | |  |
| Criteria 3: Material residual risks remain despite reasonable efforts by the applicant to mitigate them that could be relieved in whole or in part through a derogation.  Evidence: 1) Statement of the principal operational and commercial risks that remain despite mitigating actions and explanation of impact [500 words]. 2) Cause and quantum of the likely financial impact of the residual risks [250 words]. 3) Explanation of how the applicant would use the additional flexibility to reduce these residual risks [500 words]. | | |
| [applicant to enter details here: maximum 500 words for point (1), maximum 250 words for point (2), maximum 500 words for point (3) | |  |
| Criteria 4: The derogation quantity requested is proportionate to the level of residual risk, within the quantity cap and will be deployed within 6 months of 13 July 2018  Evidence: 1) Applicant to specify whether the quantity is referenced to actual smart meter installations in July, August and September 2017 or planned smart meter installations in April, May and June 2018. 2) Quantity of SMETS1 compliant electricity meters to be deployed after 13 July 2018. 3) Quantity of SMETS1 compliant gas meters to be deployed after 13 July 2018. 4) Explanation of how the requested quantity is consistent with the risk to be mitigated and will be installed by no later than 13 January 2019 [500 words]. | | |
| [applicant to enter details here: maximum 500 words for point (3). | |  |
| Criteria 5: If deemed eligible, how will the applicant demonstrate to BEIS and Ofgem that they will install SMETS1 compliant devices after the SMETS1 end date in a manner that is consistent with the derogation in terms of complying with the time limit and quantity cap? [250 words] | | |
| [applicant to enter details here: maximum 250 words] | |  |

1. Please complete Annex A for Part B, Criteria 1. **Across all sections Annex A must be a maximum of 2500 words.**.

| APPLICATION FOR DEROGATION FROM SMETS1 END DATE – ANNEX A: TO BE COMPLETED FOR PART B, CRITERIA 1. MAXIMUM OF 2500 WORDS ACROSS ALL SECTIONS | | |
| --- | --- | --- |
| Organisation name: |  | |
| Name of contact: |  | |
| Contact e-mail address: |  | |
| Contact telephone number: |  | |
| Section A, Schedule: Provide details of your SMETS1 to SMETS2 transition plan as follows:   * Monthly profile of SMETS1 and SMETS2 Credit and Prepayment installations from first SMETS2 install through to the end of the SMETS1 to SMETS2 transition. * A plan on a page (up to A3 size) illustrating any necessary IT system functionality drops, End to End testing, DCC user onboarding process, phasing of Credit and Prepayment Pilots, key activites and dependencies required to enable you to scale up on SMETS2 including up-skilling of meter installers, procurement and delivery of certified SMETS2 assets to enable piloting and volume transiation, cutover to the SMETS2 supply chain, model office operation and transition to Business As Usual (BAU). | | |
| [applicant to enter details here] | | Column for BEIS use only |
| Section B, People:   * Details of your training approach and curriculum to convert internal and 3rd party field force staff from SMETS1 technology to SMETS2. * Set out the training schedule and how it will be delivered to up-skill your field force (both initernal and 3rd party) to SMETS2. * Describe how you have the required mentoring and technical support staff in place to transition to SMETS2. * Details of the training required and plan for your front/back office customer operations staff in order for them to ramp up and transition to SMETS2 operations at volume. | | |
| [applicant to enter details here] | |  |
| Section C, Assets:   * Details of confirmed contracts and delivery dates for supplies of certified (listed on the CPL) SMETS2 electricity and gas meters, IHDs/PPMIDs and DCC comms hubs in quantities and delivery schedules to achieve your 13 July 2018 transition plan. * Describe the supply chain and logistics in place to convert your field installation capability from SMETS1 to SMETS2 meters. | | |
| [applicant to enter details here] | |  |
| Section D, Systems & Processes:   * Confirm implementation into your production environment of all the key IT systems and process changes required to support your transition to SMETS2. * Set out your approach, plan and progress so far to complete all necessary End to End testing activities ahead of your SMETS1 to SMETS2 transition phases. * Provide details on the system and process changes and associated testing to incorporate the 3rd party providers (e.g. Field force, DCC adaptor managed service, prepayment service providers) required to achieve your SMETS1 to SMETS2 transition. * Set out your approach and plans to pilot SMETS2 installation in support of your transition from SMETS1 to SMETS2. | | |
| [applicant to enter details here] | |  |
| Section E, Business Change and Customer Services:   * Provide details on your approach to identify, manage and resolve issues arising during the transition. * Describe your customer services transition approach and plan to move support from any ring fenced smart operation to the BAU business as SMETS2 volumes ramp up and your final smart Target Operating Model is adopted. * Describe any changes to your Customers’ smart journey and experience which you expect to implement as part of your transition from SMETS1 to SMETS2 (such as widening of eligibility criteria, expansion of engagement activities, improvements to appointment booking) * Describe how you will manage customer perception of the smart metering rollout during the transition and derogation periods. | | |
| [applicant to enter details here] | |  |
| Section F, Any other relevant information | | |
| [applicant to enter details here] | |  |

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1. BEIS considers an operational risk to be a risk that the licensee will fail to continue to be able to rollout smart metering systems at a rate consistent with its rollout plan, and a commercial risk to be a risk that it will be disproportionally expensive for the licensee to continue to meet its rollout plans or that there is a risk of stranding of assets of a material value in order to do so. [↑](#footnote-ref-2)
2. Evidence submitted should be consistent with energy suppliers’ quarterly statistical submissions to BEIS. [↑](#footnote-ref-3)