

This document is classified as **Clear** in accordance with the Panel Information Policy. Recipients can distribute this information to the world, there is no limit on disclosure. Information may be shared without restriction subject to copyright.



MP169

‘Managing SEC Obligations and the Consumer’s Right to refuse a Smart Meter’

Modification Report

Version 0.9

21 March 2025



About this document

This document is a draft Modification Report. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

Contents

1. Summary.....	3
2. Issue.....	3
3. Solution	5
4. Impacts	6
5. Costs	9
6. Implementation approach	9
7. Assessment of the proposal	10
8. Case for change.....	15
Appendix 1: Progression timetable	18
Appendix 2: Glossary	19

This document also has four annexes:

- **Annex A** contains the business requirements for the proposed solution.
- **Annex B** contains the DCC Impact Assessment.
- **Annex C** contains the full collated responses to the Refinement Consultation.
- **Annex D** contains a list of the Service Requests which will be permitted to Devices which have the Restricted Attribute applied.
- **Annex E** contains the non-confidential responses to the Request for Information.

Contact

If you have any questions on this modification, please contact:

Ben Giblin

020 3934 8646

ben.giblin@gemserv.com

1. Summary

This proposal has been raised by Emslie Law of OVO Energy.

Currently, Energy Consumers can refuse to have a Smart Meter installed at their property. Suppliers are receiving requests from consumers to have a Smart Meter installed in 'dumb mode', where the smart functionality on the Device is turned off. If a Supplier wishes to comply with this request, they cannot do so without deliberately ignoring obligations within the SEC.

The Proposed Solution is to introduce a 'Restricted' Attribute which would be applicable to Smart Metering Equipment Technical Specifications (SMETS)2+ Devices in credit mode. This will limit the Service Reference Variants (SRVs) and Alerts which can be delivered to these Devices. This represents an additional step to the existing 'all reasonable steps' that Suppliers must take to attempt the successful installation of a fully communicative Smart Metering System.

The DCC Impact Assessment showed costs to implement of £731,502. Due to DSP re-procurement, a second Impact Assessment is required. SECAS has prioritised this modification for re-submission and expects to be able to request the second Impact Assessment in May 2025.

This modification will impact Suppliers, Network Parties, Meter Installers, Flexibility Providers, Shared Resource Providers and the DCC. SECAS is targeting this modification for inclusion in a 2028 SEC Release and will proceed as an Authority Determined modification.

2. Issue

What are the current arrangements?

Position of Government

Smart Meters are not mandatory in Great Britain, meaning that Energy Consumers have a right to refuse to have a Smart Meter installed. The Department of Energy Security and Net Zero (DESNZ) confirmed that "the Government and Ofgem's public line has always been that consumers have a choice whether or not to have Smart Meters. This was most recently emphasised in the public Q & A on the [Energy Act 2023](#)".

The Government's response notes that "There are no provisions to the Bill that would allow anyone to enter a property by force to install a Smart Meter. Consumers will continue to have the right to refuse a Smart Meter Installation".

SECAS acknowledges that this statement was published in 2023 during the Conservative government. DESNZ has confirmed that their position remains the same since the Labour Party came to office.

SEC and Supply Licence Conditions

Some consumers may not want a Smart Meter due to concerns about radio frequency signals, data privacy or other general reasons. In some instances, consumers are approaching their Supplier to have a Smart Meter installed in 'dumb' mode to allow for the communications to be limited or

disabled. However, there is currently no way to do this without impacting other obligations within the SEC.

The Gas and Electricity Supply Licences (Condition 54.9) states:

Where this paragraph applies the licensee must take all reasonable steps to ensure that the Electricity Meter and Communications Hub Function that form part of the SMETS2+ Smart Metering System at the SMETS2+ premises are Commissioned and the SMETS2+ Smart Metering System Enrolled.

In addition, SEC Appendix AC 'Inventory, Enrolment and Decommissioning Procedures' sets out the pre-commissioning and post-commissioning obligations on the Supplier. These include obliging an Installing Supplier to carry out numerous tasks to ensure a Smart Metering System is installed and communicating. This includes placing Smart Metering Key Infrastructure (SMKI) keys and Certificates on the Devices so other Parties can communicate with them. It also includes updating the DCC with the state of the Devices.

What is the issue?

Suppliers are unable to comply with consumer requests to install a Smart Meter in 'dumb' mode. The SEC does not allow for the Devices on the Smart Metering Inventory (SMI) to be installed and not commissioned. It also does not allow the installation of meters without also fitting the DCC-provided Communications Hub (as referenced above in Gas and Electricity Supply Licence Condition 54.9). There is no concept, by design, of fitting a Smart Meter in 'dumb' mode.

Suppliers are currently either installing heritage meters or installing the Smart Meter in ways that are causing or will cause problems elsewhere.

Some of the factors which were considered when building the business requirements and Proposed Solution are listed in the following table:

Issues with non-communicating meters	
Issue for consideration	Details
Any form of Load (Heating / Hot Water / Electric Vehicle)	Any consumer on an Economy 7 tariff (or similar) arrangement relies on the Smart Meter communicating.
Change of Mode (Credit to Prepayment and vice versa)	A 'dumb' meter cannot be changed between modes remotely – such a change will need a site visit.
Availability of Heritage Meters	Heritage meters are no longer being produced and stocks are dwindling.
Supplier Licence Requirements	The Installing Supplier is required to configure and maintain a tariff on the meter.
Security and Safety Alerts.	The Smart Metering solution is designed for Security and Safety Alerts to be provided and sent out. These cannot be distributed if the meter is in 'dumb' mode.
Critical Alerts	SEC Parties are required to act on specific critical or mandated Alerts. These cannot be sent if the meter is in 'dumb' mode.
'Dumb' meters will need manual reads	It is likely Suppliers have a reduced number of meter reading agents, especially for reading properties where a Smart Meter is installed, so may need the customer to provide reads themselves. Smart Meter displays contain more screens and information and the potential for the customer reading the wrong

Issues with non-communicating meters	
Issue for consideration	Details
	data is therefore increased. There are also billing implications that the Smart Metering solution is designed to address.
Eligibility and non-eligibility	Potential Network Managed sites with no Wide Area Network (WAN) and those on specific Radio TeleSwitched regimes must have communications. This is not within the remit of the SEC.
DCC / DNO flagging the meter as non-communicating	The DNO currently raises non-communicating Smart Meters with the Supplier to 'fix'. The DCC may report these as 'notcommissioned'.
Supplier taking on a meter not recorded in the SMI as smart	If a Supplier takes on a meter that isn't recorded as 'smart', it may require that meter to be replaced, which will incur Premature Replacement Charges for Suppliers.
Industry standard	A new way to manage installs of Smart Meters set to 'dumb' mode must be standardised across the industry so that Change of Supplier (CoS) is not impacted, and the new gaining Supplier is aware of the customer preference and situation. There is currently no flag or state to highlight this.

What is the impact this is having?

There is no concept of a 'dumb' state for a Smart Meter within the SEC. Where a functioning Smart system is installed (and maybe commissioned) in a 'dumb' state, that state is not visible and understood by the industry. Consequently, on a CoS and Change of Tenancy (CoT) there is currently a requirement to 'fix' the install, leading to additional costs, inconvenience and inefficiencies. Currently the consumer's legal right to refuse a Smart Meter cannot be met while still meeting the New and Replacement obligations on the Supplier. This will become increasingly difficult as heritage meters become less available.

Impact on consumers

Currently the consumer's right to refuse a Smart Meter cannot be met as an enduring process unless Suppliers are deliberately not compliant with the SEC and Supply Licence Conditions.

3. Solution

Both the Proposed Solution and Alternative Solution will introduce a 'Restricted Attribute', applicable to SMETS2 Devices in credit mode. The solutions differ in when the Restricted Attribute can be applied.

Proposed Solution

The Proposed Solution would allow the Restricted Attribute to be applied and removed at any point, dependent on the choice of the Consumer. In a Change of Supplier, the Restricted Attribute would remain active however in a Change of Tenancy the Restricted Attribute would be changed to 'False'.

Alternative Solution

The Alternative Solution would allow the Restricted Attribute to be applied only when the customer has an Ombudsman remedy stating the Device should have the Attribute set to 'True'.

Technical aspects

The Proposed Solution is to introduce a new 'Restricted' Attribute to the data for each Device in the SMI which will limit the SRVs and Alerts which can be delivered to the Device. This is determined by a configurable list chosen by the Proposer. The current list is similar to a Device in 'Suspended' status

By default, the Attribute will be marked as 'False' for all existing Devices and for any new Devices added to the SMI. A Device with the Attribute set will be 'True' in the SMI. A new screen will be provided on the Self-Service Management Interface (SSMI) to allow DCC, when instructed by the Responsible Supplier to set or clear the 'Restricted' Attribute for a Device.

The 'Restricted' Attribute will also be displayed on the SSI Read Inventory screen and included in the response to SRV 8.2 'Read Inventory' requests.

Two new codes are being created to return data if a Device has the Restricted Attribute set to 'True'. The DCC User Interface Specification (DUIS) will be amended to return a new Error Response Code when a SRV is rejected. There will also be a new Warning Response Code returned when a Supplier executes SRV 6.23 'Update Security Credentials (CoS)'.

Any Alerts which are not delivered because the Device has the Restricted Attribute will not be recorded in the SAT log but will be recorded in a new Discarded Alert log.

This change will introduce an additional step to 'all reasonable steps' which can only be taken after the current all reasonable steps have been exhausted.

Further information about the Proposed Solution can be found in the DCC Impact Assessment in Annex B.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
✓	Electricity Network Operators	✓	Gas Network Operators

Managed by

SEC Party Categories impacted			
✓	Other SEC Parties	✓	DCC

Breakdown of Other SEC Party types impacted			
✓	Shared Resource Providers	✓	Meter Installers
	Device Manufacturers	✓	Flexibility Providers

This modification will impact any Party which can send Service Requests to Devices which relate to retrieval of Device Consumption Data.

Suppliers

This modification introduces an additional step, taken after the current all reasonable steps have been taken, for Suppliers to offer to consumers who do not wish to have a Smart Meter installed.

During the Refinement Consultation, Parties noted that Suppliers would need to develop new processes and policies when installing meters in Restricted mode. One change highlighted by several Parties was the necessity to change communications and processes for customers which have a Smart Meter operating in Restricted mode, for data privacy or billing purposes.

Due to the alteration to existing arrangements for installing Smart Meters, Suppliers and Meter Installers would need to provide updated training to their meter engineers. Suppliers would also need to alter the training provided to customer service staff, in addition to revising information they provide to Consumers.

DCC System

Changes will be required in the DSP System to ensure that messages relating to Consumption Data are prevented from processing.

The expected impacts on DCC Systems and DCC's proposed testing approach can be found in the DCC Preliminary Assessment in Annex B.

SEC and subsidiary documents

The following parts of the SEC are expected to be impacted:

- Appendix AC 'Inventory, Enrolment and Decommissioning Procedures'
- Appendix AD 'DCC User Interface Specification (DUIS)'
- Section H 'DCC Services'

SECAS is developing the Legal Text and the areas of the SEC which are impacted will be finalised before the Modification reported is presented to the Change Sub-Committee.

Devices

Devices impacted			
✓	Electricity Smart Metering Equipment	✓	Gas Smart Metering Equipment
✓	Communications Hubs	✓	Gas Proxy Functions
	In-Home Displays		Prepayment Meter Interface Devices
	Standalone Auxiliary Proportional Controllers		Home Area Network Connected Auxiliary Load Control Switches
	Consumer Access Devices		Alternative Home Area Network Devices

There will be no changes to Devices required to implement this modification. There will be changes to DCC interaction with Smart Meters, their associated Communications Hubs and Gas Proxy Functions (GPFs), as well as how these interactions are reported against by the DCC.

Consumers

This modification will have a positive impact on consumers who do not wish to have a Smart Meter due to data privacy concerns, as it will allow them to receive the other benefits of Smart Metering while respecting their right to refusing to share their Consumption Data. It will also help to ensure that there are more smart-capable Devices installed at consumer premises, giving more options to incoming tenants.

Both the Proposed Solution and Alternative Solution will only be applied to credit consumers. This is because the Service Requests which cannot be requested from 'Restricted' Devices would impact many pre-payment processes and therefore would not be workable under the solution.

Other industry Codes

This modification has an impact on the Retail Energy Code (REC). Once the Legal Text changes to the SEC are finalised, SECAS will raise the corresponding REC Change.

Greenhouse gas emissions

This modification will reduce the need to maintain replacement stock for heritage meters by increasing the number of smart-capable meters installed at consumer premises. It will also ensure that consumers who do not want a Smart Meter will have options which don't require Device replacement or scrappage.

5. Costs

DCC costs

The costs received in the DCC Impact Assessment of May 2024 showed costs to implement of £731,502.

The breakdown of these costs are as follows:

Breakdown of DCC implementation costs	
Activity	Cost
Design, Build and Pre-Integration Testing (PIT) including DUIS uplift.	£383,388
Integration Testing, Systems Integration Testing (SIT) and User Integration Testing (UIT)	£348,114

Due to DSP re-procurement, an Impact Assessment is required against the new DSP. SECAS expects to be able to submit the Impact Assessment request in late April 2025.

Therefore, the costs of £731,502 are not the confirmed full costs to DCC from implementation of this modification.

SECAS costs

The estimated SECAS implementation cost to implement this as a stand-alone modification is one day of effort, amounting to approximately £600. This cost will be reassessed when combining this modification in a scheduled SEC Release. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

SEC Parties will need to amend processes to manage the use of a Restricted Attribute. These could be manual or automated depending on the choices of the SEC Party. During the Refinement Consultation, one Party noted that if a Service Request was used to set a Device in Restricted mode, this would require changes to their smart meter adaptor would cost between £100,000 and £250,000. One other respondent to the Refinement Consultation believed that implementation of this modification would lead to costs of over £1,000,000. They commented that MP169 would lead to a reduction in the business benefits gained by Suppliers which arise from installing a Smart Meter.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **2028 SEC Release (TBC)**

Due to DSP re-procurement, SECAS is unable to confirm the length of testing required before this modification can be implemented. SECAS expects the new DSP to go-live in 2028, however the exact date has not been specified. As DUIS changes are needed this modification can only be implemented in a June SEC Release.

7. Assessment of the proposal

Observations on the issue

TABASC views

The Technical Architecture and Business Architecture Sub-Committee (TABASC) questioned how many consumers did not want a Smart Meter. The Proposer reported that it is difficult to calculate a figure. This is because the consumer may not clearly state they don't want a Smart Meter or provide a reason but can continually cancel installation appointments.

Ofgem Position

As this is an Authority-Determined modification, SECAS engaged with Ofgem throughout the modification to ensure all areas are covered in the Modification Report before it is submitted following the Change Board.

During the Refinement Process the Proposer believed that for this modification to be approved, significant controls would need to be introduced regarding the applicability of the Proposed Solution. SECAS engaged with Ofgem, the Proposer and Citizens Advice to determine whether controls would be needed as part of the solution. Ofgem produced the following statement:

"Whilst Ofgem is unable to provide an opinion on an Authority Determined modification until it is sent to us for decision, our initial concerns regarding SECMP169 related to the meter's ability to effectively communicate therefore inhibiting its smart functionality. However, on review of the Allowed SRV List we are comfortable that the meter, as proposed in the current modification, is still operational and is able to communicate with the DCC. Suppliers must take steps to ensure that all smart meters are compliant with electricity supply licence condition 48 and gas supply licence condition 43 – Operational Requirements."

Following receipt of this statement, the Proposer decided that the modification should proceed to Change Board vote and Authority determination with no additional controls placed on the applicability of the Proposed Solution.

View of Citizens Advice

SECAS has engaged with Citizens Advice throughout the modification process to understand their views on the modification. Citizens Advice have provided this statement:

"For the small proportion of consumers who do not want a Smart Meter there needs to be some means to handle meter replacements when legacy meters are no longer available. This solution was agreed upon early in the rollout and is reflected in Ombudsman decisions and Citizens Advice guidance as well as the communications materials of several Suppliers who assure consumers that their meter can be set to not send data. This modification simply codifies a functionality that has long

been promised and used to reassure consumers. The current situation where different Suppliers handle this issue differently is not tenable.

Without this modification and a route for such consumers it would be the case that smart has effectively become mandatory. We would have to change our messaging around the mandatory nature of the rollout accordingly. This would be a big change that would likely generate a lot of negative attention for the rollout. As such, we are supportive of approval of this modification”.

Views of the Energy Ombudsman

Following the introduction of the Alternative Solution, SECAS engaged with the Energy Ombudsman who noted:

“We do have concerns with the alternative solution. The main issues being that this would set a precedent of the Ombudsman being the ultimate decision maker for an industry process, which does not align with our role. In addition, there is a potential impact of increased volumes of complaints reaching us. In this respect, we are concerned that the alternative solution has been put forward as an option for consideration without any consultation with ourselves, when it directly impacts us”.

Discussion points

Consumer advice

During the Development Stage the Proposer noted that consumer representative websites were advising consumers who wished to refuse the installation of a Smart Meter, or to replace their existing Smart Meter, to contact their Suppliers to have legacy meters installed. While this is technically possible it is not a sustainable solution; as manufacture of these Devices becomes scarcer the price will increase and this will be borne by the consumer. The websites also advised consumers they can have Smart Meters installed with the Smart functionality ‘turned off’, which there is no way of doing within the Install and Commissioning procedures in the SEC.

SECAS liaised with Citizens Advice and the Energy Ombudsman to discuss the drafting on their websites to ensure that the information provided reflects possible options more accurately. Citizens Advice have altered the wording on their website throughout the rollout to reflect that consumers have the choice not to have a Smart Meter.

In January 2024, SECAS proposed new wording for the Energy Ombudsman website. The proposed wording removed terms suggesting smart functionality can be ‘turned off’. The Energy Ombudsman did not amend the wording on their website.

All reasonable steps

Citizens Advice considered that a Supplier would have met its obligation to take ‘all reasonable steps’ to install a Smart Meter if the customer had refused to have a Smart Meter installed. However, as customers cannot be left without a functioning meter, there are limited options available should a Smart Meter installation be refused.

The TABASC Chair highlighted that including the ability in the SEC to not have communications may conflict with some of the Supply Licence Conditions and a view from Ofgem should be sought.

Ofgem advised they would not approve any solution which could undermine ‘all reasonable steps’ to install a Smart Meter in a communicative state.

The Operations Group (OPSG) Chair suggested that the SEC is about Smart Metering. Enabling Suppliers to 'turn off' a Smart Meter may be extending the scope of the SEC beyond the original intentions. The Proposed Solution looks only at how communication with Devices may be selectively reduced for consumers who would otherwise refuse Smart Meter installation.

SECAS and the Proposer have developed a solution which constitutes an additional step to be taken once 'all reasonable steps' have been exhausted.

Removal of Communications Hubs

During the Development Stage the Proposer noted that some Suppliers are attempting to comply with consumer wishes to have Smart Meters installed in a non-communicative state by not commissioning the Communications Hub or by physically removing the Communications Hub.

The TABASC noted concerns about removing Communications Hubs at a premise where a fully functioning Smart Metering System is already installed, suggesting meters may become 'distressed' if they lost connection to the Communications Hub.

The DCC and its Service Providers highlighted that any solution that involved removing the Communications Hub would prevent any firmware upgrades to Communications Hubs, meters and any other Devices on the Home Area Network (HAN) which would be an area of concern for security. It also confirmed that their systems were set up to identify and report non-communicating meters, but not to identify if this was intentional.

SECAS and the Proposer have developed a solution which aligns with the SEC processes for installing and commissioning Communications Hubs, and which does not require their removal. The solution will also introduce the ability to discern between Devices which are non-communicating due to a fault or due to consumer choice.

CSP notification of 'Restricted' flags

During the Working Group and TABASC meetings, members queried the need for Business Requirement 5. The requirement reads "The DSP will notify the CSP when a DCC System Flag has been applied". The TABASC Chair noted that the proposed DSP 'Restricted' flag would reject Service Requests and as such they would never reach the CSP in the first place. The TABASC and Proposer agreed that this requirement was not necessary.

SECAS engaged with DCC who noted that this requirement constituted a large part of the costs in the Preliminary Assessment. As such, SECAS requested a second Preliminary Assessment with this requirement removed.

The second Preliminary Assessment returned costs of between £351,000 and £750,000 for implementation of this modification, compared to the first Preliminary Assessment which returned costs of between £1,291,600 and £1,690,600.

Consumer perception of 'Restricted Mode'

During Working Group meetings, Refinement Consultation and Request for Information, Parties have noted that it may be difficult to convey to consumers what information is being collected when the Restricted Attribute is set to 'True'. This is because some Service Requests will be permitted to the Device, but not all, which would be hard to explain to consumers.

One Large Supplier Party noted in the RFI that although the Proposed Solution would be allowed to be applied at any time, Suppliers may set their own limits on when the solution can be applied. They added that different approaches by Suppliers would be confusing for consumers when they switched Supplier.

Parties during the Working Group also agreed that it should be up to individual Parties to communicate with their customers, rather than industry wide communications being developed to inform consumers of this modification.

Working Group members noted the potential issues with explaining the Restricted Attribute to consumers, however commented that this modification may help to solve the widespread belief that a 'dumb mode' exists in smart metering. They noted that this will also help improve guidance given by the Energy Ombudsman in its recommendations to Suppliers when resolving escalated customer complaints.

SSI or Service Request?

During the Preliminary Assessment SECAS assumed that the mechanism for notification that a Device was in Restricted Mode would be provided by the SSI. During the Working Group several members who are Large Suppliers queried whether a Service Request should be added which Suppliers can use as part of the Install and Commission process. This would prevent Devices from sending or receiving unwanted messages whilst the installing Party wait for the 'Restricted' update to take effect. The Proposer has acknowledged these comments and added that Parties are unable to enable Machine to Machine interface of the SSI, meaning the changes would need to be done manually. However, the Proposer also noted that using a Service Request to set the Restricted status this would mean additional cost to the modification.

Two respondents to the Refinement Consultation supported the principle of using a Service Request rather than via the SSI. They believed that a Service Request would be more useful as this would allow automation of setting the Restricted flag, rather than the manual invention required via the SSI. They also noted it would lead to improved reporting of Restricted Devices.

Those Parties who supported using the SSI noted that it would be cheaper than having a new Service Request. These Parties also caveated their responses, noting that without knowing precisely how many consumers would choose to have their Device in Restricted mode, they could not say whether using the SSI or Service Request would be preferential.

Will a 'Restricted' flag be automatically cleared?

Following comments from the Working Group, the Proposer decided that the Restricted Attribute should stay in place (set to True) if a Change of Supply takes place. However, if there is a Change of Tenancy then the Restricted Attribute will be removed (set to False).

Potential loss of benefits from having Smart Meter installed

During the November 2023 Working Group meeting, members debated the impact of having a Smart Meter in 'Restricted Mode' and whether all benefits from having the Device installed would be lost.

DCC confirmed that the In-Home Display (IHD) and Pre-Payment Meter Interface Device (PPMID) would be commissioned when the Smart Meter is installed before the Restricted flag was applied. As

such, the consumer could still receive benefit of having the Smart Meters installed, even if their Consumption Data was not being shared with the Supplier.

Members also noted that the Proposed Solution will allow Devices to easily be switched to and from Restricted mode if a Consumer changes their view. However, some members questioned how frequently Consumers would change their view, or move property, meaning the Smart Metering System would remain in Restricted Mode.

One Large Supplier respondent to the RFI noted that if there is erroneous information online about smart metering there could be a high number of Consumers who would like the Restricted Attribute applied. They added that given this modification was raised to identify a solution for a small number of consumers, the risk of many Devices losing smart functionality should be considered. They also noted that with the upcoming 4G rollout appointments are required with the customer in attendance. They added that if the customer did not want to be at home, they may request that the Restricted Attribute is applied to avoid the appointment.

When can the Restricted Mode be applied to the Device?

Working Group members debated the technical details of the solution and questioned whether there were any limits outside of the Proposed Solution and Alternative Solution which would prevent the Restricted Attribute from being applied. SECAS engaged with DCC who confirmed that the technical solution for this modification will allow the Restricted Mode to be set and removed at any point.

Will there be any guidance provided as part of the modification about how to communicate with consumers?

At the February 2024 Working Group meeting, Parties questioned whether SECAS would issue guidance about the new Restricted Mode which could then be passed onto consumers. SECAS will not issue any guidance as part of this modification, as it is the responsibility of each Party to manage their communications with their customers and it not something which can be enforced as part of this modification.

Does the consumer have a right to refuse a Smart Meter?

Throughout the modification process Parties have questioned whether it is explicitly noted that the consumer has a right to refuse a Smart Meter.

The Proposer notes that the customers right to refuse a Smart Meter is not written, however was expressed verbally by a Minister in Parliament in 2013. The Proposer notes that the Minister was asked about mandating Smart Meters and replied that Energy Consumers would always have the ability to choose whether to have a Smart Meter.

The Proposer has also discussed the right to refuse with the Consumer Reference Group, who have noted that the Supplier is responsible for the arrangements when the Consumer refuses a Smart Meter, inferring that the Consumer has a right to refuse.

DESNZ have recently informed SECAS that “Consumers will continue to have the right to refuse a Smart Meter installation”. This was recently [published](#) in the September 2023 review of the Energy Bill.

Is there existing functionality to place meters into ‘dumb mode’?

There are two existing Service Requests listed within DUIS which are not available to Parties which would turn off Smart Meter communications. These are SR 8.5 ‘Service Opt Out’ and SR 8.6 ‘Service Opt In’.

These requests were included for SMETS1, however are not available and have never been available for any User Role to request. Assuming the SR’s were available to Parties, if a consumer chose to ‘opt-out’ then the meter would not be communicated with and could never be re-connected.

Impact of MP234

At the March Privacy Sub-Committee (PSC) meeting, one member noted the link between MP169 and MP234.

MP234 seeks to add Lawful Bases of Public Task and Legitimate Interests into the SEC, which would allow data to be collected in certain circumstances without the Unambiguous Consent of the consumer. One Large Supplier member from the PSC noted that if data is being collected without consent, consumers may seek to have their Device in Restricted Mode to protect their data.

Network Concerns

During the RFI, several Networks expressed concerns regarding the Service Requests included in the ‘Allowed’ list. They noted that in order to fulfil their obligations, Networks are required to collect granular information. They requested that the list be amended.

SECAS is working with Networks to identify which Service Requests they would like added to the ‘Allowed’ list. Once this has been finalised and agreed with Networks, SECAS will engage with the Proposer to identify whether they can be added.

Ofgem Reporting

Throughout the Refinement Process Parties have questioned how Devices with the Restricted Attribute will be reported on. Parties have also sought clarity that they will not be punished for having Devices installed with the Attribute applied.

SECAS is working with Ofgem to clarify the reporting which will be required of Suppliers, as well as confirming that Devices with the Attribute applied should be classed as communicative and not recorded as a non-communicative Device against the Supplier.

8. Case for change

Business case

In favour of approval

Parties in favour of approval noted that this modification would meet the wishes of Consumers who wish to have a Smart Meter operating in Restricted mode, as well as allowing Suppliers to complete their obligations under all reasonable steps. They added that as the smart functionality can be restored if the Consumer changes their view which is useful for the wider Smart Meter rollout. Parties

in support also noted that introduction of Restricted mode could lead to an uptake in Smart Meter installs as some Consumer concerns would have been alleviated. In turn, this could lead to a reduction in the pressure on traditional meter stock.

Against approval

Parties noted that fully operational Smart Meters are a key enabler for meeting Government net zero targets, providing benefits to Consumers and the wider energy system. They believed that Devices which can assist in supporting net zero ambitions should not be restricted. In addition, the cost of installing a Device may be undermined if the Consumer is able to eliminate the value which the Device provides, taking away the business case for having a Smart Meter installed.

One Large Supplier noted that this modification could only be applied to SMETS2 credit Devices. They believed this is unacceptable as they would not be able to offer the same service to pre-payment customers as they would with credit customers.

A number of Parties questioned the costs surrounding this modification, noting that this modification would mean SEC Parties paying costs to lose the business benefits they receive when installing a Smart Meter. Rather than approving the modification, one Party commented that it would be useful to educate Consumers on the benefits of Smart Meter, rather than implement this modification.

Many Parties asserted that although this modification may resolve concerns of Consumers on data privacy grounds, it does not resolve the issue of Consumer refusals on the grounds of RF noise. As the meter is still somewhat communicative, Consumers may also refuse on data privacy grounds if they are unable to determine the distinction of a Device operating in Restricted mode.

One Party also noted that the implementation date of 2025 is a long way away and the Smart Meter rollout should be close to completion by then. They questioned why a modification would be implemented towards the proposed end of the rollout when the majority of Devices had been installed successfully.

Views against the General SEC Objectives

Proposer's views

The Proposer believes that this modification better facilitates SEC Objectives (a)¹ and (g)².

SEC Objective (a)

This modification will facilitate the installation of more Smart-capable Devices. Other than the inability to retrieve Consumption Data, responsible Parties will be capable of communicating with the Devices via the DCC System and carrying out essential business processes, such as firmware maintenance, which are necessary for the continued interoperability of Devices.

¹ Facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

² Facilitate the efficient and transparent administration and implementation of this Code.

SEC Objective (g)

This modification will better enable Suppliers to adhere to their licence conditions without contravening Install and Commissioning obligations defined in the SEC.

Industry views

During the Refinement Consultation Parties provided differing views on how this modification in relation to SEC objective (a). Supportive Parties noted that this modification would answer some of the concerns Consumers had about Smart Meters and therefore would lead to an increase in the installs. Unsupportive Parties believed this modification would not lead to the efficient interoperability of Smart Meters as it would negate the value of smart metering.

Views against the consumer areas

Improved safety and reliability

This modification will have a positive impact against this consumer area. It will allow Suppliers an additional option for installing Smart-capable Devices at consumer premises where this would previously have been prevented due to the consumer's data privacy concerns. These Devices offer greater safety and reliability than heritage meters, for which there is dwindling stock of replacement parts and decreasing specialist knowledge within the industry.

Lower bills than would otherwise be the case

This modification will offer an alternative for consumers who may otherwise have to pay for the expensive installation and maintenance of a non-Smart heritage meter.

Reduced environmental damage

This modification will have a positive impact against this consumer area as it will result in fewer Devices being unnecessarily replaced or scrapped when an incoming tenant wishes to have their Smart Meter removed. It will also prevent the need for continued manufacture of heritage meters.

Improved quality of service

This modification will have a positive impact against this consumer area as it will allow consumers to realise the benefits of Smart Metering without the need to compromise on their concerns over data privacy.

Benefits for society as a whole

This modification will have a positive impact against this consumer area as it will help to increase the Smart capability of the energy network with all the attendant benefits, other than the increase in sharing of consumption data. It will allow consumers to exercise their rights to refusal of Smart Meter installations while reducing the onus on Suppliers to contravene best practice under the SEC.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	14 Jun 2021
Presented to CSC for initial comment	29 Jun 2021
CSC converts Draft Proposal to Modification Proposal	28 Sep 2021
Business requirements developed with Proposer and DCC	Oct 2021
Modification discussed at Working Group	3 Nov 2021
Modification discussed at Working Group	1 Dec 2021
Business requirements discussed at TABASC	Jan 2022
Business requirements developed with the Proposer	May – Jul 2022
Business requirements discussed with Device Manufacturers	2 Aug 2022
Business requirements discussed at TABASC	4 Aug 2022
Business requirements discussed at SSC	14 Sep 2022
Modification discussed at Working Group	5 Oct 2022
Business requirements discussed with the DCC	14 Nov 2022
Preliminary Assessment requested	28 Nov 2022
Update provided to CSC	20 Dec 2022
Preliminary Assessment returned	10 Feb 2023
Modification discussed at Working Group	5 Apr 2023
Modification discussed at TABASC	6 Apr 2023
Modification discussed at OPSG	11 Apr 2023
Refinement Consultation	7 Jun 2023 – 28 Jun 2023
Second Preliminary Assessment	11 Sep 2023 – 1 Oct 2023
Modification discussed at Working Group	1 Nov 2023
Modification discussed at Working Group	7 Feb 2024
Impact Assessment Request at Change Board	21 Feb 2024
Impact Assessment Requested	22 Feb 2024
Impact Assessment Returned	24 Apr 2024
Impact Assessment discussed with Working Group	5 Jun 2024
Proposed Solution discussed with Working Group	7 Aug 2024
Request for Information	20 Aug 2024 – 9 Sep 2024
<i>Legal Text developed</i>	<i>March 2025</i>
<i>REC Change raised</i>	<i>April 2025</i>
<i>Impact assessment against new DSP requested</i>	<i>April 2025 (expected)</i>

Italics denote planned events that could be subject to change

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CCSG	Cross-Code Steering Group
CoS	Change of Supplier
CoT	Change of Tenancy
CSC	Change Sub-Committee
CSP	Communication Service Provider
DCC	Data Communications Company
DNO	Distribution Network Operator
DSP	Data Service Provider
DUIS	DCC User Interface Specification
GPF	Gas Proxy Function
HAN	Home Area Network
IHD	In Home Display
OPSG	Operations Group
PIT	Pre-Integration Testing
PSC	Privacy Sub-Committee
PPMID	Pre-Payment Meter Interface Device
REC	Retail Energy Code
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SIT	Systems Integration Testing
SMETS	Smart Metering Equipment Technical Specifications
SMI	Smart Metering Inventory
SMIP	Smart Metering Implementation Programme
SMKI	Smart Metering Key Infrastructure
SRV	Service Reference Variant
SSI	Self-Service Interface
SSMI	Self-Service Management Interface
TABASC	Technical Architecture and Business Architecture Sub-Committee
UIT	User Integration Testing
WAN	Wide Area Network