

ENERGY
SMART METERS
**DRAFT MODIFICATIONS TO THE STANDARD CONDITIONS OF GAS AND
ELECTRICITY SUPPLY LICENCES AND TO THE CONDITIONS OF THE SMART
METER COMMUNICATION LICENCES (SMART METERS No. 1 of 2026)**

Presented to Parliament pursuant to section 89 of the Energy Act 2008

Draft modifications to the Standard Conditions of Gas and Electricity Supply Licence and to the Conditions of the Smart Meter Communication Licences laid before Parliament under section 89(3) of the Energy Act 2008; draft to lie for forty days pursuant to section 89(4) of that Act, during which period either House of Parliament may resolve that the modifications not be made.

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ELECTRICITY SUPPLY LICENCES AND TO THE CONDITIONS OF THE SMART
METER COMMUNICATION LICENCES (SMART METERS No. 1 of 2026)**

The Secretary of State makes the following modifications to the Standard Conditions of Gas Supply Licences, the Standard Conditions of Electricity Supply Licences, and the Conditions of the Smart Meter Communication Licences, in exercise of the powers conferred by section 88(1) of the Energy Act 2008 ("the Act").

The Secretary of State has consulted the holders of any licence being modified, the Gas and Electricity Markets Authority and such other persons as the Secretary of State considered appropriate in accordance with section 89(1) of the Act.

A draft of these modifications has been laid before Parliament in accordance with section 89(3) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 89(4) of the Act, that the Secretary of State should not make the modifications.

Interpretation

- 1 In these modifications, "smart meter communication licences" means –
- (a) the licence granted to Smart DCC Limited on 20 September 2013 under section 7AB(2) of the Gas Act 1986; and
 - (b) the licence granted to Smart DCC Limited on 20 September 2013 under section 6(1A) of the Electricity Act 1989.

Modifications to the Smart Meter Communication Licences

- 2 The conditions of the smart meter communication licences are modified, in accordance with paragraph 3 below, with effect from the day after the day on which this instrument is made.
- 3 In condition 17 –
- (a) after paragraph 17.33, insert the following new heading and new paragraphs 17.33A to 17.33E –

"Part J1: Statement on Availability of Communication Services

17.33A The Licensee must, as soon as reasonably practicable, prepare and publish a statement (the **Communication Services Availability Statement**) which:

- (a) identifies cohorts of SMETS1 Smart Metering Systems and cohorts of 2G/3G Smart Metering Systems for which the Licensee is, at the date of the statement, providing communication services (as specified and defined in the Smart Energy Code); and
- (b) identifies, for each such cohort, the end date from which the Licensee will no longer be able to provide communication services for that cohort.

17.33B Where, as at the date of the Communication Services Availability Statement, the Licensee is seeking, under a relevant External Service Provider Contract, to extend the end date applicable to the provision of communication services in respect of a cohort, the end date identified in the Communication Services Availability Statement for that cohort shall be the date which, based on the information set out in the Joint Sunsetting Statement, will be the last date on which UK mobile network operators will offer 2G and 3G mobile networks.

17.33C The Licensee must not publish a Communication Services Availability Statement unless and until the requirements of paragraph 17.33D have first been satisfied.

17.33D The requirements of this paragraph are that the Licensee has:

- (a) submitted to the Secretary of State a copy of the Communication Services Availability Statement it proposes to publish; and
- (b) obtained confirmation in Writing that the Secretary of State does not object to the publication of that Communication Services Availability Statement.

17.33E The Licensee must ensure that the published Communication Services Availability Statement is, at any given time, accurate and up to date. Where updates are required, the Licensee must publish the updated statement as soon as reasonably practicable after having followed the requirements of paragraph 17.33D."; and

(b) in paragraph 17.34, insert, in alphabetical order, the following new definitions –

"2G/3G Smart Metering System means a Smart Metering System which includes a Communications Hub which is designed to be capable of using only second generation (2G) and/or third generation (3G) mobile cellular radio technology to connect to the SM WAN (as defined in the Smart Energy Code).

Joint Sunsetting Statement means the 'joint statement on the sunsetting of 2G and 3G networks and public ambition for Open RAN rollout as part of the Telecoms Supply Chain Diversification Strategy' published on 8 December 2021 by the Department for Digital, Culture, Media and Sport.

SMETS1 Smart Metering System means a Smart Metering System which includes or comprises a SMETS1 Meter (as defined in Condition 18).".

Modifications to the standard conditions of electricity supply licences

4 The standard conditions of electricity supply licences granted or treated as granted under section 6(1)(d) of the Electricity Act 1989 are modified, in accordance with paragraphs 5 to 9 below, with effect from the day after the day on which this instrument is made.

5 In standard condition 39 –

- (a) in the heading above paragraph 39.1, after "The roll-out duty" insert "to the end of 2021 (for both Domestic Premises and Designated Premises)";
- (b) after paragraph 39.1, delete existing paragraph 39.2 and insert the following new heading and paragraph 39.2 –

"Domestic Premises only - roll-out duty from 2025"

39.2 The licensee must take all reasonable steps to ensure that a Relevant Smart Metering System is installed on or before the Domestic Roll-out Date at each Domestic Premises in respect of which it is the Relevant Electricity Supplier.";

- (c) after new paragraph 39.2, insert the following new heading and paragraph 39.2A –

"Exceptions"

39.2A The requirement in paragraph 39.1 is subject to the exceptions in paragraphs 39.3, 39.4, 39.5 and 39.6. The requirement in paragraph 39.2 is subject to the exception in paragraph 39.3.";

- (d) in paragraph 39.3, before "not apply", delete "The requirement in paragraph 39.1 does" and insert "The requirements in paragraphs 39.1 and 39.2 do";
- (e) in sub-paragraph 39.3(c), after "Current Transformer Electricity Meter" delete "meets any requirements which apply to it by virtue of paragraph 12.24 or 12.26 of standard condition 12 (Matters relating to Electricity Meters)" and insert "is an Advanced Meter";
- (f) in sub-paragraph 39.10(c), after "Current Transformer Electricity Meter" delete "meets any requirements which apply to it by virtue of paragraph 12.24 or 12.26 of standard condition 12 (Matters relating to Electricity Meters)" and insert "is an Advanced Meter"; and
- (g) in paragraph 39.23, insert in alphabetical order, the following new definition –

"Domestic Roll-out Date" means 31 December 2030, or such later date as may be specified in a direction issued by the Secretary of State."

6 In standard condition 39A –

- (a) in the title of the condition –
 - (i) after "Metering Systems" delete "Post 2020"; and
 - (ii) after "Roll-out and Installation", insert "2022-2025"; and
- (b) in the heading above paragraph 39A.1, after "The" delete "Post 2020" and insert "2022-2025".

7 In standard condition 43 –

- (a) in paragraph 43.1, after "and use of meters" insert "and applies in respect of Domestic Premises and Non-Domestic Premises";
- (b) after paragraph 43.6, insert the following new paragraph 43.6A –

"43.6A An Information Request may in particular, where standard condition 44 applies to the licensee, require the licensee to provide:

 - (a) on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of:
 - (i) its proposals, plans and projections for meeting its duties in relation to the provision, installation, operation, and

maintenance of Smart Metering Systems and In-Home Displays at Domestic Premises; and

- (ii) its progress against the proposals, plans and projections included in a previous deployment report,

(together the **deployment report**); and

- (b) for such periods and at such frequency as may be specified in the Information Request, Information which sets out the licensee's progress against the proposals, plans and projections included in its latest deployment report (the **deployment monitoring report**).";
- (c) in sub-paragraph 43.7(a), after "monitoring report," delete "and progress report" and insert "progress report, deployment report, and deployment monitoring report"; and
- (d) in paragraph 43.11, after "five years after the" delete "ARS Specified Date" and insert "Domestic Roll-out Date, as defined in standard condition 39 (Smart Metering System – Roll-out, Installation and Maintenance)".

8 Delete existing standard condition 44 in its entirety and insert new standard condition 44 as set out in Schedule 1 of this instrument.

9 In standard condition 49 –

- (a) before the heading "Application of Part A" above paragraph 49.1, insert a new heading "**PART A: SMART METERING SYSTEMS**";
- (b) in paragraph 49.1, after "any Designated Premises" delete "of Micro Business Consumers";
- (c) after paragraph 49.1, delete existing paragraph 49.2 and insert the following new paragraph 49.2 –

"49.2 Part A of this Condition does not apply to relevant premises which are Designated Premises where:

 - (a) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date; and
 - (b) the Smart Metering System is not enrolled in accordance with the Enrolment Service.";
- (d) delete the heading "Application of Part B" above paragraph 49.3;
- (e) in paragraph 49.3, delete the existing text in its entirety and insert "Not used";
- (f) delete the heading "**PART A: SMART METERING SYSTEMS**" below paragraph 49.3;
- (g) in sub-paragraph 49.4(c)(i)(B), after "is a Designated Premises", delete "of a Micro Business Consumer";
- (h) in the heading above paragraph 49.17, after "Operational Requirement – " delete "Premises of Micro Business Consumers" and insert "Designated Premises";
- (i) in paragraph 49.17, after "in respect of a Designated Premises", delete "of a Micro Business Consumer";
- (j) delete the heading "Exception to the SMS Operational Requirement – Domestic Premises" above paragraph 49.18;
- (k) in paragraph 49.18, delete the existing text in its entirety and insert "Not used";
- (l) in paragraph 49.19, delete the existing text in its entirety and insert "Not used";

- (m) after the heading "**PART B: IN-HOME DISPLAYS**" below paragraph 49.20B, insert the following new heading and paragraph 49.20C –

"Application of Part B

49.20C Part B of this Condition applies to the licensee in respect of any Domestic Premises at which:

- (a) it is the Relevant Electricity Supplier;
- (b) there is installed a Smart Metering System; and
- (c) the Installation Date of the Smart Metering System is a date on or after the Effective Date,

(a **relevant IHD premises**).";

- (n) after paragraph 49.25, insert the following new heading and new paragraphs 49.26 to 49.30 –

"PART C: ESTABLISHING AND MAINTAINING A COMMUNICATIONS CONNECTION

Application of Part C

49.26 Part C of this Condition applies, in addition to Part A of this Condition, to the licensee in respect of any Domestic Premises and any Designated Premises at which:

- (a) it is the Relevant Electricity Supplier; and
- (b) there is an installed Smart Metering System,

(a **SMS premises**).

Establishing and Maintaining a Smart Connection

49.27 Paragraph 49.28 applies where, in respect of any SMS premises, the licensee becomes aware (including through its internal monitoring and reporting processes and procedures, or having received information from the customer at that SMS premises or the DCC) that a Smart Connection:

- (a) has not been established; or
- (b) that had previously been established is no longer being maintained.

49.28 Where this paragraph applies, the licensee must take all reasonable steps to ensure that a Smart Connection is established promptly, and in any event within 90 days, after the date on which the licensee first became aware of the circumstances described in paragraph 49.27.

SMS Premises – Additional Requirements

49.29 Paragraph 49.30 applies in respect of each SMS premises:

- (a) at which the installed Smart Metering System is a SMETS1 Smart Metering System or a 2G/3G Smart Metering System; and
- (b) where:
 - (i) the DCC has published a Communication Services Availability Statement which provides that the communication services provided by the DCC in respect of any particular cohort of SMETS1 Smart Metering Systems and/or 2G/3G Smart Metering Systems identified in the statement (the **relevant communications services**) will not

be available from the date specified in the statement (the **specified date**); and

- (ii) the Smart Metering System at the SMS premises falls within a cohort identified in the statement.

49.30 Where this paragraph 49.30 applies, the licensee must take all reasonable steps to ensure that a Smart Connection that does not rely upon the relevant communications services is established prior to the specified date and maintained thereafter.";

- (o) in the heading after new paragraph 49.30, after "Part" delete "C" and insert "D";
- (p) renumber existing paragraph 49.26 to paragraph 49.31; and
- (q) in renumbered paragraph 49.31, insert, in alphabetical order, the following new definitions –

"2G/3G Smart Metering System

means a Smart Metering System which includes a Communications Hub which is designed to be capable of using only second generation (2G) and/or third generation (3G) mobile cellular radio technology to connect to the SM WAN.

Communication Services Availability Statement

has the meaning given to it in paragraph 17.33A of Condition 17 of the DCC Licence.

Smart Connection

means a connection of the type referred to in paragraph 49.4(a) and/or 49.4(d) (as the case may be), such that:

- (a) the Smart Metering System can be enrolled under the Enrolment Service;
- (b) communications services are able to be provided under the Smart Energy Code by the DCC, in respect of the Smart Metering System at the SMS premises, such that the licensee is able to:
 - (i) remotely access, from time to time and at any given time, the consumption data held by or stored in the Smart Metering System at the SMS premises; and
 - (ii) enable the Customer at the SMS premises to access the Customer information referred to in paragraph 49.4(e)."

Modifications to the standard conditions of gas supply licences

10 The standard conditions of gas supply licences granted or treated as granted under section 7A(1) of the Gas Act 1986 are modified, in accordance with paragraphs 11 to 15 below, with effect from the day after the day on which this instrument is made.

11 In standard condition 33 –

- (a) in the heading above paragraph 33.1, after "The roll-out duty" insert "to the end of 2021 (for both Domestic Premises and Designated Premises)";
- (b) after paragraph 33.1, delete existing paragraph 33.2 and insert the following new heading and paragraph 33.2 –

"Domestic Premises only - roll-out duty from 2025

33.2 The licensee must take all reasonable steps to ensure that a Relevant Smart Metering System is installed on or before the Domestic Roll-out Date at each Domestic Premises in respect of which it is the Relevant Gas Supplier.";

- (c) after new paragraph 33.2, insert the following new heading and paragraph 33.2A –

Exceptions

33.2A The requirement in paragraph 33.1 is subject to the exceptions in paragraphs 33.3, 33.4, 33.5 and 33.6. The requirement in paragraph 33.2 is subject to the exception in paragraph 33.3.";

- (d) in paragraph 33.3, before "not apply", delete "The requirement in paragraph 33.1 does" and insert "The requirements in paragraphs 33.1 and 33.2 do";
- (e) in sub-paragraph 33.3(c), after "Large Gas Meter" delete "meets any requirements which apply to it by virtue of paragraph 12.27 or 12.29 of standard condition 12 (Matters relating to Gas Meters)" and insert "is an Advanced Meter";
- (f) in sub-paragraph 33.10(c), after "Large Gas Meter" delete "meets any requirements which apply to it by virtue of paragraph 12.27 or 12.29 of standard condition 12 (Matters relating to Gas Meters)" and insert "is an Advanced Meter"; and
- (g) in paragraph 33.23, insert in alphabetical order, the following new definition –

"Domestic Roll-out Date means 31 December 2030, or such later date as may be specified in a direction issued by the Secretary of State."

12 In standard condition 33A –

- (a) in the title of the condition –
- (i) after "Metering Systems" delete "Post 2020"; and
- (ii) after "Roll-out and Installation", insert "2022-2025"; and
- (b) in the heading above paragraph 33A.1, after "The" delete "Post 2020" and insert "2022-2025".

13 In standard condition 37 –

- (a) in paragraph 37.1, after "and use of meters" insert "and applies in respect of Domestic Premises and Non-Domestic Premises";
- (b) after paragraph 37.6, insert the following new paragraph 37.6A –

"37.6A An Information Request may in particular, where standard condition 44 applies to the licensee, require the licensee to provide:

- (a) on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of:
- (i) its proposals, plans and projections for meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays at Domestic Premises; and
- (ii) its progress against the proposals, plans and projections included in a previous deployment report,
- (together the **deployment report**); and
- (b) for such periods and at such frequency as may be specified in the Information Request, Information which sets out the licensee's

progress against the proposals, plans and projections included in its latest deployment report (the **deployment monitoring report**).";

- (c) in sub-paragraph 37.7(a), after "monitoring report," delete "and progress report" and insert "progress report, deployment report, and deployment monitoring report"; and
- (d) in paragraph 37.11, after "five years after the" delete "ARS Specified Date" and insert "Domestic Roll-out Date, as defined in standard condition 33 (Smart Metering System – Roll-out, Installation and Maintenance)".

14 Delete existing standard condition 38 in its entirety and insert new standard condition 38 as set out in Schedule 2 of this instrument.

15 In standard condition 43 –

- (a) before the heading "Application of Part A" above paragraph 43.1, insert a new heading "**PART A: SMART METERING SYSTEMS**";
- (b) in paragraph 43.1, after "any Designated Premises" delete "of Micro Business Consumers";
- (c) after paragraph 43.1, delete existing paragraph 43.2 and insert the following new paragraph 43.2 –

"43.2 Part A of this Condition does not apply to relevant premises which are Designated Premises where:

 - (a) the Installation Date of the Smart Metering System is a date on or prior to the Effective Date; and
 - (b) the Smart Metering System is not enrolled in accordance with the Enrolment Service.";
- (d) delete the heading "Application of Part B" above paragraph 43.3;
- (e) in paragraph 43.3, delete the existing text in its entirety and insert "Not used";
- (f) delete the heading "**PART A: SMART METERING SYSTEMS**" below paragraph 43.3;
- (g) in sub-paragraph 43.4(c)(i)(B), after "is a Designated Premises", delete "of a Micro Business Consumer";
- (h) in the heading above paragraph 43.17, after "Operational Requirement – " delete "Premises of Micro Business Consumers" and insert "Designated Premises";
- (i) in paragraph 43.17, after "in respect of a Designated Premises", delete "of a Micro Business Consumer";
- (j) delete the heading "Exception to the SMS Operational Requirement – Domestic Premises" above paragraph 43.18;
- (k) in paragraph 43.18, delete the existing text in its entirety and insert "Not used";
- (l) in paragraph 43.19, delete the existing text in its entirety and insert "Not used";
- (m) after the heading "**PART B: IN-HOME DISPLAYS**" below paragraph 43.20B, insert the following new heading and paragraph 43.20C –

"Application of Part B

43.20C Part B of this Condition applies to the licensee in respect of any Domestic Premises at which:

- (a) it is the Relevant Gas Supplier;
- (b) there is installed a Smart Metering System; and

- (c) the Installation Date of the Smart Metering System is a date on or after the Effective Date.

(a **relevant IHD premises**).";

- (n) after paragraph 43.25, insert the following new heading and new paragraphs 43.26 to 43.30 –

"PART C: ESTABLISHING AND MAINTAINING A COMMUNICATIONS CONNECTION"

Application of Part C

43.26 Part C of this Condition applies, in addition to Part A of this Condition, to the licensee in respect of any Domestic Premises and any Designated Premises at which:

- (a) it is the Relevant Gas Supplier; and
- (b) there is an installed Smart Metering System.

(a **SMS premises**).

Establishing and Maintaining a Smart Connection

43.27 Paragraph 43.28 applies where, in respect of any SMS premises, the licensee becomes aware (including through its internal monitoring and reporting processes and procedures, or having received information from the customer at that SMS premises or the DCC) that a Smart Connection:

- (a) has not been established; or
- (b) that had previously been established is no longer being maintained.

43.28 Where this paragraph applies, the licensee must take all reasonable steps to ensure that a Smart Connection is established promptly, and in any event within 90 days, after the date on which the licensee first became aware of the circumstances described in paragraph 43.27.

SMS Premises – Additional Requirements

43.29 Paragraph 43.30 applies in respect of each SMS premises:

- (a) at which the installed Smart Metering System is a SMETS1 Smart Metering System or a 2G/3G Smart Metering System; and
- (b) where:
 - (i) the DCC has published a Communication Services Availability Statement which provides that the communication services provided by the DCC in respect of any particular cohort of SMETS1 Smart Metering Systems and/or 2G/3G Smart Metering Systems identified in the statement (the **relevant communications services**) will not be available from the date specified in the statement (the **specified date**); and
 - (ii) the Smart Metering System at the SMS premises falls within a cohort identified in the statement.

43.30 Where this paragraph 43.30 applies, the licensee must take all reasonable steps to ensure that a Smart Connection that does not rely upon the relevant communications services is established prior to the specified date and maintained thereafter.";

- (o) in the heading after new paragraph 43.30, after "Part" delete "C" and insert "D";

- (p) renumber existing paragraph 43.26 to paragraph 43.31; and
- (q) in renumbered paragraph 43.31, insert, in alphabetical order, the following new definitions –

**"2G/3G Smart
Metering System**

means a Smart Metering System which includes a Communications Hub which is designed to be capable of using only second generation (2G) and/or third generation (3G) mobile cellular radio technology to connect to the SM WAN.

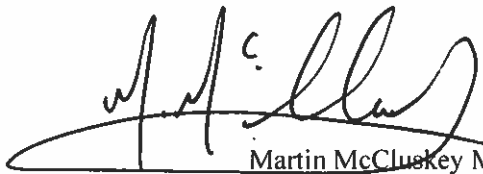
**Communication
Services Availability
Statement**

has the meaning given to it in paragraph 17.33A of Condition 17 of the DCC Licence.

Smart Connection

means a connection of the type referred to in paragraph 43.4(a) and/or 43.4(d) (as the case may be), such that:

- (a) the Smart Metering System can be enrolled under the Enrolment Service;
- (b) communications services are able to be provided under the Smart Energy Code by the DCC, in respect of the Smart Metering System at the SMS premises, such that the licensee is able to:
 - (i) remotely access, from time to time and at any given time, the consumption data held by or stored in the Smart Metering System at the SMS premises; and
 - (ii) enable the Customer at the SMS premises to access the Customer information referred to in paragraph 43.4(e)."



Martin McCluskey MP

Parliamentary Under Secretary of State

Department for Energy Security and Net Zero

Date: 20 May 2026

SCHEDULE 1

NEW STANDARD CONDITION 44 FOR ELECTRICITY SUPPLY LICENCES

"Condition 44. Domestic Premises - Roll-out and Operation of Smart Metering Systems – Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority"

Introduction

- 44.1 This condition does not apply to the licensee where the licensee, together with its Affiliates, supplies gas or electricity to Customers at Domestic Energy Premises via, in each case, less than 20,000 Energy Meter Points.
- 44.2 This condition applies in relation to Domestic Premises for which the licensee is the Relevant Electricity Supplier.
- 44.3 This condition:
- (a) provides that the licensee must prepare and provide to the Authority a Deployment Plan, must set Annual Milestones in its Deployment Plan and must report against its Deployment Plan;
 - (b) provides that the licensee must achieve the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones set out in its Deployment Plan; and
 - (c) enables the Authority to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems and In-Home Displays and the licensee's achievement of the Annual Milestones.

Purposes

- 44.4 The purposes of this condition are to:
- (a) require the licensee to prepare a Deployment Plan which includes Annual Milestones;
 - (b) requires the licensee to achieve the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones set out in the Deployment Plan; and
 - (c) ensure that the Authority may obtain such information as it may reasonably require to enable it, from time to time, to:
 - (i) examine and assess the readiness of the licensee to achieve the Annual Milestones set out in the Deployment Plan;
 - (ii) monitor and review the steps taken (or to be taken) by the licensee to comply with the requirements of each Relevant SMS Condition; and
 - (iii) monitor the licensee's achievement of the Annual Milestones set out in the Deployment Plan.

Deployment Plans

Licensee's Deployment Plan

- 44.5 The licensee must, by no later than 30 June 2026 (or such later date as may be specified in a direction issued by the Authority), prepare and submit to the Authority, a document (the **Deployment Plan**), in such format as may be specified by the Authority in a direction issued to the licensee, which has been approved by the licensee's board of directors and signed by a director of the licensee.

- 44.6 The licensee must ensure that its Deployment Plan contains the licensee's proposals, plans and projections for how the licensee will, in each Relevant Period, meet its obligations in respect of Domestic Premises under:
- (a) standard licence condition 39 (Smart Metering System – Roll-out, Installation and Maintenance); and
 - (b) standard licence condition 49 (Smart Metering Systems and In-Home Displays – Operational Requirements).
- 44.7 The licensee must ensure that its Deployment Plan demonstrates how the licensee will:
- (a) comply with the obligations referred to in paragraph 44.6; and
 - (b) achieve the Annual Milestones set out in its Deployment Plan.
- 44.8 The licensee must ensure that its Deployment Plan contains:
- (a) Annual Milestones set by the licensee for each Relevant Period;
 - (b) a detailed explanation of the licensee's reasons and justifications for each of the Annual Milestones set out in the Deployment Plan, including a detailed explanation of:
 - (i) any assumptions made by the licensee and the basis for any such assumptions; and
 - (ii) (in respect of the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones), if the licensee has not set these Annual Milestones on the basis of a Straight-line Trajectory, the licensee's reasons for not doing so;
 - (c) details on the numbers of meter operatives which the licensee determines it will need to engage for the purposes of meeting the Annual Milestones and the licensee's proposals for deploying the required level of meter operatives;
 - (d) the licensee's proposals for developing and implementing consumer engagement measures, which:
 - (i) take account of and complement the Central Delivery Body's Consumer Engagement plan; and
 - (ii) take account, in a manner which is effective and appropriate, of the interests and needs of Domestic Customers on the basis of their Personal Characteristics and/or vulnerable situation; and
 - (e) such other Information as may be specified in a direction issued by the Authority.

Revisions to the Deployment Plan

- 44.9 The licensee:
- (a) must submit a revised Deployment Plan to the Authority on (or within seven days following) each anniversary of the date specified in paragraph 44.5 (or such other date as may be specified in a direction issued by the Authority); and
 - (b) may submit an updated Deployment Plan where the Authority has agreed that the licensee may submit a revised Deployment Plan (in response to a request from the licensee).
- 44.10 Where, in accordance with paragraph 44.9, the licensee submits a revised Deployment Plan, the licensee must ensure that the revised Deployment Plan:
- (a) takes account of the difference in the number of Domestic Premises supplied (or predicted to be supplied) by the licensee in each remaining Relevant Period (as compared to its previous Deployment Plan);

- (b) otherwise complies with the requirements of paragraphs 44.6, 44.7 and 44.8); and
- (c) is approved by the licensee's board of directors and signed by a director of the licensee.

Authority Consideration

- 44.11 The Authority will consider the licensee's Deployment Plan (including any revised Deployment Plan) and may, within 28 days of receipt, confirm in writing to the licensee, with reasons, that it has been rejected by the Authority.
- 44.12 Where the Authority rejects the submitted Deployment Plan, the Authority will provide the licensee with reasons for its rejection and the licensee must submit, by such date as the Authority specifies, a further Deployment Plan which the Authority will consider in accordance with paragraph 44.11.

Guidance

- 44.13 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraphs 44.11 and 44.12.
- 44.14 Guidance issued under paragraph 44.13 may, in particular set out:
 - (a) the process to be followed by electricity and gas suppliers for submitting Deployment Plans;
 - (b) the type of information that is likely to be required by the Authority as part of that process; and
 - (c) the criteria the Authority would have regard to in considering whether to reject a Deployment Plan.
- 44.15 The licensee must have regard to the guidance that may be issued, and from time to time revised, by the Authority under paragraph 44.13.

Achieving the Annual Roll-out Milestones, the Annual SMETS1 Milestones and the Annual CH Milestones

- 44.16 The licensee must, in respect of each Relevant Period commencing on and after 1 January 2027, achieve the Annual Roll-out Milestone, the Annual SMETS1 Milestone and the Annual CH Milestone set out in its Deployment Plan.

Progress Reports

- 44.17 The licensee must prepare and submit to the Authority, in such format, for such periods and at such frequency as may be specified in a direction issued by the Authority, a report (the **Progress Report**) which sets out the licensee's progress and performance against its Deployment Plan.
- 44.18 The licensee must:
 - (a) where the Authority has not rejected a Deployment Plan submitted to it by the licensee, no later than 2 working days after 1 January in each calendar year starting from calendar year commencing on 1 January 2027, publish prominently on its website the Annual Milestones set out in that Deployment Plan for each Relevant Period covered by that Deployment Plan;
 - (b) no later than 2 working days after it has submitted a Progress Report to the Authority, publish prominently on its website the licensee's performance, in respect of each Relevant Period covered by the Progress Report, against the Annual Milestones it set for that Relevant Period in the Deployment Plan or revised Deployment Plan.

Directions

- 44.19 The licensee must comply with any directions the Authority may issue for the purposes of this condition. A direction issued by the Authority may, in particular, specify:

- (a) the format of, including the format of any information which must under this condition be included in, the Deployment Plan and the Progress Report;
- (b) the date, which may be a revision to any date specified in this condition, by which a Deployment Plan, including any revised Deployment Plan, must be submitted to the Authority;
- (c) the form and manner in which the information which must under this condition be included in the Deployment Plan and the Progress Report, including in respect of Annual Milestones, must be included in the Deployment Plan and the Progress Report;
- (d) the Information the licensee must include in the Progress Report;
- (e) requirements in relation to the submission of the Deployment Plan and Progress Reports to the Authority; and
- (f) the manner and method by which any specified Information from the Deployment Plan and any Progress Report must be published by the licensee.

Information Request

- 44.20 Where the licensee receives a request for Information from the Authority for the purposes of this condition (an **Information Request**), it must provide that Information to the Authority within the time and in the form requested.
- 44.21 An Information Request issued by the Authority may in particular specify the type and nature of Information to be provided by the licensee, including in particular in respect of:
 - (a) the readiness of the licensee to comply with any Relevant SMS Condition; and
 - (b) the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems and In-Home Displays in accordance with the requirements of any Relevant SMS Condition.
- 44.22 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.
- 44.23 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

Interpretation

- 44.24 In this condition:

**2G/3G Smart
Metering Premises**

means Domestic Premises at which there is installed a SMETS2+ Smart Metering System which includes one or more devices which are designed to be capable of using only second generation (2G) and/or third generation (3G) mobile cellular radio technology to connect to the SM WAN.

Annual Milestone

means the Annual Roll-out Milestone, the Annual Operational Milestone, the Annual SMETS1 Milestone, and the Annual CH Milestone.

**Annual CH
Milestone**

means, in respect of each Relevant Period, the total number of 2G/3G Smart Metering Premises in respect of which the licensee is the Relevant Electricity Supplier, at which the Communications Hub, and any other device, forming part of the installed Smart Metering System is to be replaced for the purposes of meeting the licensee's obligation under paragraph 49.30 of standard licence condition 49 (Smart Metering Systems and In-Home Displays — Operational Requirements).

Annual Operational Milestone	means, in respect of each Relevant Period, the licensee's proposed reduction, in that Relevant Period, in the number of SMS Domestic Premises, in respect of which the licensee is the Relevant Electricity Supplier, at which a Smart Connection is not established and maintained.
Annual Roll-Out Milestone	means, in respect of each Relevant Period up to and including the Domestic Roll-out Date, the total number of Domestic Premises in respect of which the licensee is the Relevant Electricity Supplier, at which a Smart Metering System is to be installed in the Relevant Period for the purposes of meeting the licensee's obligation under paragraph 39.2 of standard licence condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
Annual SMETS1 Milestone	means, in respect of each Relevant Period, the total number of SMETS1 Domestic Premises in respect of which the licensee is the Relevant Electricity Supplier, at which a device forming part of the installed Smart Metering System is to be replaced for the purposes of meeting the licensee's obligation in paragraph 49.30 of standard licence condition 49 (Smart Metering Systems and In-Home Displays — Operational Requirements)
Deployment Plan	means the licensee's plan submitted in accordance with paragraph 44.5 or 44.9, and not rejected by the Authority under paragraph 44.11.
Domestic Energy Premises	means premises which (with respect to the supply of electricity) are Domestic Premises, or (with respect to the supply of gas) satisfy the definition of 'Domestic Premises' at standard condition 6 of the Gas Supply Licence.
Domestic Roll-out Date	has the meaning given in standard licence condition 39 (Smart Metering System – Roll-out, Installation and Maintenance).
Energy Meter Point	has the meaning given to it in standard licence condition 45A (Smart Metering Consumer Engagement).
Enrolment Service	means the service operated by the DCC pursuant to the requirements of paragraphs 17.14 and 17.15 of Part D of Condition 17 of the DCC Licence for the purposes of enrolling a Smart Metering System in accordance with the provisions of the Smart Energy Code.
Progress Report	means a report submitted in accordance with paragraph 44.17.
Relevant Period	means: (a) the period 1 July 2026 to 31 December 2026 (inclusive – the 'First Relevant Period');; (b) for the purposes of matters relating to Annual CH Milestones, Annual Operational Milestones, and Annual SMETS1 Milestones, each calendar year commencing after the end of the First Relevant Period up to and including the calendar year ending 31 December 2033 (or such later date as may be specified in a direction by the Secretary of State); and (c) for the purposes of matters relating to Annual Roll-out Milestones, each calendar year commencing after the end

of the First Relevant Period up to and including the calendar year ending on the Domestic Roll-out Date.

Relevant SMS Condition

means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance, or use of a Smart Metering System or an In-Home Display.

Smart Connection

has the meaning given to it in standard licence condition 49 (Smart Metering Systems and In-Home Displays – Operational Requirements).

SMS Domestic Premises

means Domestic Premises at which there is installed a Smart Metering System.

Straight-line Trajectory

means, for the remaining Relevant Periods from time to time:

- (a) for each Annual Roll-out Milestone, that the licensee will by the end of each Relevant Period (other than the First Relevant Period) install $1/x$ of the total number of Smart Metering Systems which the licensee is required to take all reasonable steps to install under paragraph 39.2 of licence condition 39 (Smart Metering System – Roll-out, Installation and Maintenance), where 'x' is the number of Relevant Periods remaining until the Domestic Roll-out Date;
- (b) for each Annual CH Milestone, that the licensee will by the end of each Relevant Period (other than the First Relevant Period) replace $1/y$ of the total number of SMETS2+ Communications Hubs at Domestic Premises which are to be replaced by the licensee for the purposes of complying with its obligation in paragraph 49.30 of standard licence condition 49 (Smart Metering Systems and In-Home Displays – Operational Requirements), where 'y' is the number of Relevant Periods remaining until the end of the last Relevant Period; and
- (c) for each Annual SMETS1 Milestone, that that the licensee will by the end of each Relevant Period (other than the First Relevant Period) replace devices in $1/z$ of the total number of SMETS1 Smart Metering Systems at Domestic Premises in respect of which devices are to be replaced by the licensee for the purposes of complying with its obligation in paragraph 49.30 of standard licence condition 49 (Smart Metering Systems and In-Home Displays – Operational Requirements), where 'z' is the number of Relevant Periods remaining until the end of the last Relevant Period."

SCHEDULE 2

NEW STANDARD CONDITION 38 FOR GAS SUPPLY LICENCES

"Condition 38. Domestic Premises - Roll-out and Operation of Smart Metering Systems - Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority"

Introduction

- 38.1 This condition does not apply to the licensee where the licensee, together with its Affiliates, supplies gas or electricity to Customers at Domestic Energy Premises via, in each case, less than 20,000 Energy Meter Points.
- 38.2 This condition applies in relation to Domestic Premises for which the licensee is the Relevant Gas Supplier.
- 38.3 This condition:
- (a) provides that the licensee must prepare and provide to the Authority a Deployment Plan, must set Annual Milestones in its Deployment Plan and must report against its Deployment Plan;
 - (b) provides that the licensee must achieve the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones set out in its Deployment Plan; and
 - (c) enables the Authority to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems and In-Home Displays and the licensee's achievement of the Annual Milestones.

Purposes

- 38.4 The purposes of this condition are to:
- (a) require the licensee to prepare a Deployment Plan which includes Annual Milestones;
 - (b) requires the licensee to achieve the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones set out in the Deployment Plan; and
 - (c) ensure that the Authority may obtain such information as it may reasonably require to enable it, from time to time, to:
 - (i) examine and assess the readiness of the licensee to achieve the Annual Milestones set out in the Deployment Plan;
 - (ii) monitor and review the steps taken (or to be taken) by the licensee to comply with the requirements of each Relevant SMS Condition; and
 - (iii) monitor the licensee's achievement of the Annual Milestones set out in the Deployment Plan.

Deployment Plans

Licensee's Deployment Plan

- 38.5 The licensee must, by no later than 30 June 2026 (or such later date as may be specified in a direction issued by the Authority), prepare and submit to the Authority, a document (the **Deployment Plan**), in such format as may be specified by the Authority in a direction issued to the licensee, which has been approved by the licensee's board of directors and signed by a director of the licensee.
- 38.6 The licensee must ensure that its Deployment Plan contains the licensee's proposals, plans and projections for how the licensee will, in each Relevant Period, meet its obligations in respect of Domestic Premises under:

- (a) standard licence condition 33 (Smart Metering System – Roll-out, Installation and Maintenance); and
 - (b) standard licence condition 43 (Smart Metering Systems and In-Home Displays – Operational Requirements).
- 38.7 The licensee must ensure that its Deployment Plan demonstrates how the licensee will:
- (a) comply with the obligations referred to in paragraph 38.6; and
 - (b) achieve the Annual Milestones set out in its Deployment Plan.
- 38.8 The licensee must ensure that its Deployment Plan contains:
- (a) Annual Milestones set by the licensee for each Relevant Period;
 - (b) a detailed explanation of the licensee's reasons and justifications for each of the Annual Milestones set out in the Deployment Plan, including a detailed explanation of:
 - (i) any assumptions made by the licensee and the basis for any such assumptions; and
 - (ii) (in respect of the Annual Roll-out Milestones, the Annual SMETS1 Milestones, and the Annual CH Milestones), if the licensee has not set these Annual Milestones on the basis of a Straight-line Trajectory, the licensee's reasons for not doing so;
 - (c) details on the numbers of meter operatives which the licensee determines it will need to engage for the purposes of meeting the Annual Milestones and the licensee's proposals for deploying the required level of meter operatives;
 - (d) the licensee's proposals for developing and implementing consumer engagement measures, which:
 - (i) take account of and complement the Central Delivery Body's Consumer Engagement plan; and
 - (ii) take account, in a manner which is effective and appropriate, of the interests and needs of Domestic Customers on the basis of their Personal Characteristics and/or vulnerable situation; and
 - (e) such other Information as may be specified in a direction issued by the Authority.

Revisions to the Deployment Plan

- 38.9 The licensee:
- (a) must submit a revised Deployment Plan to the Authority on (or within seven days following) each anniversary of the date specified in paragraph 38.5 (or such other date as may be specified in a direction issued by the Authority); and
 - (b) may submit an updated Deployment Plan where the Authority has agreed that the licensee may submit a revised Deployment Plan (in response to a request from the licensee).
- 38.10 Where, in accordance with paragraph 38.9, the licensee submits a revised Deployment Plan, the licensee must ensure that the revised Deployment Plan:
- (a) takes account of the difference in the number of Domestic Premises supplied (or predicted to be supplied) by the licensee in each remaining Relevant Period (as compared to its previous Deployment Plan);
 - (b) otherwise complies with the requirements of paragraphs 38.6, 38.7 and 38.8; and
 - (c) is approved by the licensee's board of directors and signed by a director of the licensee.

Authority Consideration

- 38.11 The Authority will consider the licensee's Deployment Plan (including any revised Deployment Plan) and may, within 28 days of receipt, confirm in writing to the licensee, with reasons, that it has been rejected by the Authority.
- 38.12 Where the Authority rejects the submitted Deployment Plan, the Authority will provide the licensee with reasons for its rejection and the licensee must submit, by such date as the Authority specifies, a further Deployment Plan which the Authority will consider in accordance with paragraph 38.11.

Guidance

- 38.13 The Authority may issue, and may from time to time revise, guidance regarding the manner in which it will exercise its powers under paragraphs 38.11 and 38.12.
- 38.14 Guidance issued under paragraph 38.13 may, in particular set out:
- (a) the process to be followed by electricity and gas suppliers for submitting Deployment Plans;
 - (b) the type of information that is likely to be required by the Authority as part of that process; and
 - (c) the criteria the Authority would have regard to in considering whether to reject a Deployment Plan.
- 38.15 The licensee must have regard to the guidance that may be issued, and from time to time revised, by the Authority under paragraph 38.13.

Achieving the Annual Roll-out Milestones, the Annual SMETS1 Milestones and the Annual CH Milestones

- 38.16 The licensee must, in respect of each Relevant Period commencing on and after 1 January 2027, achieve the Annual Roll-out Milestone, the Annual SMETS1 Milestone, and the Annual CH Milestone set out in its Deployment Plan.

Progress Reports

- 38.17 The licensee must prepare and submit to the Authority, in such format, for such periods and at such frequency as may be specified in a direction issued by the Authority, a report (the **Progress Report**) which sets out the licensee's progress and performance against its Deployment Plan.
- 38.18 The licensee must:
- (a) where the Authority has not rejected a Deployment Plan submitted to it by the licensee, no later than 2 working days after 1 January in each calendar year starting from calendar year commencing on 1 January 2027, publish prominently on its website the Annual Milestones set out in that Deployment Plan for each Relevant Period covered by that Deployment Plan;
 - (b) no later than 2 working days after it has submitted a Progress Report to the Authority, publish prominently on its website the licensee's performance, in respect of each Relevant Period covered by the Progress Report, against the Annual Milestones it set for that Relevant Period in the Deployment Plan or revised Deployment Plan.

Directions

- 38.19 The licensee must comply with any directions the Authority may issue for the purposes of this condition. A direction issued by the Authority may, in particular, specify:
- (a) the format of, including the format of any information which must under this condition be included in, the Deployment Plan and the Progress Report;

- (b) the date, which may be a revision to any date specified in this condition, by which a Deployment Plan, including any revised Deployment Plan, must be submitted to the Authority;
- (c) the form and manner in which the information which must under this condition be included in the Deployment Plan and the Progress Report, including in respect of Annual Milestones, must be included in the Deployment Plan and the Progress Report;
- (d) the Information the licensee must include in the Progress Report;
- (e) requirements in relation to the submission of the Deployment Plan and Progress Reports to the Authority; and
- (f) the manner and method by which any specified Information from the Deployment Plan and any Progress Report must be published by the licensee.

Information Request

- 38.20 Where the licensee receives a request for Information from the Authority for the purposes of this condition (an **Information Request**), it must provide that Information to the Authority within the time and in the form requested.
- 38.21 An Information Request issued by the Authority may in particular specify the type and nature of Information to be provided by the licensee, including in particular in respect of:
- (a) the readiness of the licensee to comply with any Relevant SMS Condition; and
 - (b) the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems and In-Home Displays in accordance with the requirements of any Relevant SMS Condition.
- 38.22 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.
- 38.23 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

Interpretation

- 38.24 In this condition:

2G/3G Smart Metering Premises	means Domestic Premises at which there is installed a SMETS2+ Smart Metering System which includes one or more devices which are designed to be capable of using only second generation (2G) and/or third generation (3G) mobile cellular radio technology to connect to the SM WAN.
Annual Milestone	means the Annual Roll-out Milestone, the Annual Operational Milestone, the Annual SMETS1 Milestone, and the Annual CH Milestone.
Annual Milestone	CH means, in respect of each Relevant Period, the total number of 2G/3G Smart Metering Premises in respect of which the licensee is the Relevant Gas Supplier, at which the Communications Hub, and any other device, forming part of the installed Smart Metering System is to be replaced for the purposes of meeting the licensee's obligation under paragraph 43.30 of standard licence condition 43 (Smart Metering Systems and In-Home Displays — Operational Requirements).
Annual Operational Milestone	means, in respect of each Relevant Period, the licensee's proposed reduction, in that Relevant Period, in the number of SMS Domestic Premises, in respect of which the licensee is the

Relevant Gas Supplier, at which a Smart Connection is not established and maintained.

Annual Milestone	Roll-Out	means, in respect of each Relevant Period up to and including the Domestic Roll-out Date, the total number of Domestic Premises in respect of which the licensee is the Relevant Gas Supplier, at which a Smart Metering System is to be installed in the Relevant Period for the purposes of meeting the licensee's obligation under paragraph 33.2 of standard licence condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
Annual Milestone	SMETS1	means, in respect of each Relevant Period, the total number of SMETS1 Domestic Premises in respect of which the licensee is the Relevant Gas Supplier, at which a device forming part of the installed Smart Metering System is to be replaced for the purposes of meeting the licensee's obligation in paragraph 43.30 of standard licence condition 43 (Smart Metering Systems and In-Home Displays — Operational Requirements)
Deployment Plan		means the licensee's plan submitted in accordance with paragraph 38.5 or 38.9, and not rejected by the Authority under paragraph 38.11.
Domestic Premises	Energy	means premises which (with respect to the supply of gas) are Domestic Premises, or (with respect to the supply of electricity) satisfy the definition of 'Domestic Premises' at standard condition 6 of the Electricity Supply Licence.
Domestic Date	Roll-out	has the meaning given in standard licence condition 33 (Smart Metering System – Roll-out, Installation and Maintenance).
Energy Meter Point		has the meaning given to it in standard licence condition 39A (Smart Metering Consumer Engagement).
Enrolment Service		means the service operated by the DCC pursuant to the requirements of paragraphs 17.14 and 17.15 of Part D of Condition 17 of the DCC Licence for the purposes of enrolling a Smart Metering System in accordance with the provisions of the Smart Energy Code.
Progress Report		means a report submitted in accordance with paragraph 38.17.
Relevant Period		means: (a) the period 1 July 2026 to 31 December 2026 (inclusive – the 'First Relevant Period');; (b) for the purposes of matters relating to Annual CH Milestones, Annual Operational Milestones, and Annual SMETS1 Milestones, each calendar year commencing after the end of the First Relevant Period up to and including the calendar year ending 31 December 2033 (or such later date as may be specified in a direction by the Secretary of State); and (c) for the purposes of matters relating to Annual Roll-out Milestones, each calendar year commencing after the end of the First Relevant Period up to and including the calendar year ending on the Domestic Roll-out Date.

Relevant Condition	SMS	means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance, or use of a Smart Metering System or an In-Home Display.
Smart Connection		has the meaning given to it in standard licence condition 43 (Smart Metering Systems and In-Home Displays – Operational Requirements).
SMS Premises	Domestic	means Domestic Premises at which there is installed a Smart Metering System.
Straight-line Trajectory		means, for the remaining Relevant Periods from time to time: (a) for each Annual Roll-out Milestone, that the licensee will by the end of each Relevant Period (other than the First Relevant Period) install $1/x$ of the total number of Smart Metering Systems which the licensee is required to take all reasonable steps to install under paragraph 33.2 of licence condition 33 (Smart Metering System – Roll-out, Installation and Maintenance), where 'x' is the number of Relevant Periods remaining until the Domestic Roll-out Date; (b) for each Annual CH Milestone, that the licensee will by the end of each Relevant Period (other than the First Relevant Period) replace $1/y$ of the total number of SMETS2+ Communications Hubs at Domestic Premises which are to be replaced by the licensee for the purposes of complying with its obligation in paragraph 43.30 of standard licence condition 43 (Smart Metering Systems and In-Home Displays – Operational Requirements), where 'y' is the number of Relevant Periods remaining until the end of the last Relevant Period; and (c) for each Annual SMETS1 Milestone, that that the licensee will by the end of each Relevant Period (other than the First Relevant Period) replace devices in $1/z$ of the total number of SMETS1 Smart Metering Systems at Domestic Premises in respect of which devices are to be replaced by the licensee for the purposes of complying with its obligation in paragraph 43.30 of standard licence condition 43 (Smart Metering Systems and In-Home Displays – Operational Requirements), where 'z' is the number of Relevant Periods remaining until the end of the last Relevant Period."