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MP264

‘Updating Independence of SMDA Testing Provisions’

Modification Report

Version 1.0

21 February 2024

Corporate member of
Plain English Campaign
Committed to clearer
communication

592



About this document

This document is a 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	4
4. Impacts.....	5
5. Costs	6
6. Implementation approach	6
7. Assessment of the proposal	7
Appendix 1: Progression timetable	9
Appendix 2: Glossary	9

This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

Contact

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1. Summary

This proposal has been raised by Carmen Strickland on behalf of Horizon Energy Infrastructure. Carmen is also the Chair of the SMDASC.

Smart Metering Device Assurance (SMDA) is a scheme set out to test Devices and provide assurance on their interoperability and interchangeability. The SMDA Sub-Committee (SMDASC) is tasked with procuring the Testing Facility that would be best suited to provide the Testing Services required for SMDA. At present, the SEC limits SMDASC from procuring these services from SEC Parties, the Data Communications Company (DCC) and its Affiliates or its Service Providers. This limits the SMDASC ability to review all the potential organisations that could offer these services.

The Proposed Solution would remove these limitations and enable any organisation to tender for this service.

The impact to SEC Parties as a result of this modification is a positive one as it would enable them to tender for Testing Services. The costs would be limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort. This is a Self-Governance Modification, and, if approved, will be implemented as an ad hoc SEC release in April to facilitate the required timing of the procurement of the SMDA Testing Services.

2. Issue

What are the current arrangements?

Smart Metering Device Assurance

The premise of Smart Metering Device Assurance (SMDA) is to provide assurance to Suppliers that Devices will work as expected and the Devices will not be disrupted in the event of consumers changing Supplier.

The ability to test Devices is beneficial to Device Manufacturers, as it provides assurance that the developed equipment complies with [Smart Meter Equipment Technical Specifications](#) (SMETS) requirements and is performing as expected.

Suppliers also have a responsibility to ensure devices are SMETS compliant, as referenced in an [OFGEM Open Letter in May 2018](#), and although the SMDA scheme is voluntary, it aims to provide assurance that any approved smart metering equipment is interoperable and interchangeable.

How is Smart Metering Device Assurance achieved?

The objectives of the SMDA Scheme are as follows:

- **Interoperability:** To provide assurance that smart metering equipment (meters and associated Devices) work with the DCC;
- **Interchangeability:** To provide assurance that smart metering equipment (meters and associated Devices) work with each other.

Testing a Device's interoperability is achieved through a number of tests which would demonstrate the Device's ability to send the expected response to each communication. This would show that it

supports the Service Requests (SRs) that would be sent to the Device, as defined in the DCC User Interface Specification (DUIS).

The interchangeability of a Device is tested against its ability to communicate with other Devices on a Home Area Network (HAN). The aim of this type of testing is to ensure that a Device can be replaced, and its replacement will work with the remaining Devices in a consumer's premises.

What is the issue?

The SMDASC was introduced in the SEC as part of [MP111 'SMDA Budget Amendments'](#). Section F12.7 'Smart Metering System Requirements', precludes SEC Parties, including the DCC and its Service Providers from providing Testing Services.

At the time, this was considered fit for purpose. However, given the specialist expertise and testing infrastructure available within SEC Parties, including the DCC and its Service Providers, this prohibition **may** be preventing SEC Parties from accessing the most cost-effective means of providing the SMDA Testing Service.

What is the impact this is having?

The impact of the provisions in Section F12.7 mean that the SMDA Sub-Committee, in its role of procuring the SMDA Testing Service, is unable to evaluate the entire range of possible providers of the SMDA Testing Service, which creates the possibility that it may not be being provided in the most cost-effective manner.

Impact on consumers

Energy Suppliers incur the costs of SMDA testing, either directly through testing themselves, or indirectly through costs passed through by Device manufacturers. These costs are passed through to energy consumers.

3. Solution

Proposed Solution

The Proposed Solution is to remove the restrictions on the SMDASC procuring any of the following to provide the SMDA Testing service:

- A SEC Party, the DCC, any DCC Service Providers, the Secretariat or the Code Administrator;
- An Affiliate of a Party (including the DCC), a DCC Service Provider, the Secretariat or the Code Administrator; or
- an employee of any of the above.

The legal text to implement these changes can be found in Annex A.

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
✓	Other SEC Parties	✓	DCC

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers		Meter Installers
✓	Device Manufacturers		Flexibility Providers
	DCC Other Users		MAPs/ MAMs

This modification will have an impact on SEC Parties that are able to offer SMDA Testing Services as it would enable them to put these services forward for the SMDASC to review.

Suppliers will also benefit from the SMDASC being able review an increased number of options for the Testing Service, which could lead to a reduction in costs.

DCC Systems

DCC System changes

There will be no System changes from the modification.

DCC System traffic

This modification will not impact DCC System traffic.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Section F 'Smart Metering System Requirements'

The changes to the SEC required to deliver the Proposed Solution can be found in Annex A.

Devices

This modification will not impact Devices.

Consumers

This modification will not impact Consumers.

Other industry Codes

This modification will not impact other industry Codes.

Greenhouse gas emissions

This modification will not impact greenhouse gas emissions.

5. Costs

DCC costs

There are no DCC costs associated with 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. The activities needed to be undertaken for this are:

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

SEC Party costs

There are no Party costs associated with this modification.

6. Implementation approach

Approved implementation approach

The Change Sub-Committee (CSC) has approved an implementation date of:

- **One day after decision** (Ad hoc SEC Release).

Providing the SMDASC with a wider range of Testing Service Providers will ensure that procurement of the most cost-effective one is not delayed. The SMDASC are required to start the procurement in April this year, therefore it is recommended that the modification is targeted for an ad hoc SEC Release. There are no System impacts on the DCC or SEC Parties.

7. Assessment of the proposal

Areas for assessment

Sub-Committee input

SECAS has engaged with the Chairs from the Operations Group (OPSG), the Technical Architecture and Business Architecture Sub-Committee (TABASC), the Security Sub-Committee (SSC), the Smart Metering Key Infrastructure Policy Management Authority (SMKI PMA) and the Testing Advisory Group (TAG) to confirm what input is required from these forums. SECAS believes the following Sub-Committees will need to provide the following input to this modification:

Sub-Committee input	
Sub-Committee	Input sought
OPSG	None
SMKI PMA	None
SSC	None
TABASC	Input on legal text and Proposed Solution
TAG	Confirm no TAG impact

Observations on the issue

The SMDASC has discussed this issue and believes this change would be beneficial to SEC Parties wishing to tender Testing Services. The SMDASC highlighted this would be a forward-thinking modification as it would utilise existing infrastructure and expertise that SEC Parties have, which is beneficial when providing SMDA Testing Services.

The modification was also presented to Other SEC Parties for feedback. One member highlighted the benefits of having options, as this would help with the cost-effectiveness of the Scheme. Another member expressed concern over the modification; as Communication Hubs are being brought under the scope of the SMDA, the option of the DCC as a Testing Provider would not be the best option. However, the Testing Provider would still be considered independent as the SMDASC would review the independent nature of any Testing Services provided.

The SMDA Testing provider would still be required to enter contractual terms that fall under the responsibility of the SEC Panel. This ensures that any provider maintains appropriate independence and if there are any concerns then the Panel can address these here.

Solution development

The solution put forward in this modification was discussed and agreed by the SMDASC. The need for widening the net of procurement of Testing Services was developed as part of SMDASC efforts to bring cost-effective Testing Services to Parties that require them. It was highlighted that potential Providers could not be considered as they were also SEC Parties, in spite of their having the necessary infrastructure and expertise.

8. Case for change

Business case

This modification does impact SEC Parties as it would benefit those Parties that have Testing infrastructure and specialist expertise to carry out SMDA Testing Services but were previously unable to put this forward as part of their services. However, there would be no System changes required from SEC Parties associated with this modification.

Views against the General SEC Objectives

Proposer's views

The Proposer believes this Modification Proposal will better facilitate SEC objective(d)¹ as it will widen the scope of competition and better support the interoperability and interchangeability of SMETS2 Devices (SMDA Testing). More confidence and cost-effectiveness. It would also provide Parties that require

Views against the consumer areas

Improved safety and reliability

This modification will have a neutral impact on this area.

Lower bills than would otherwise be the case

This modification will have a neutral impact on this area.

Reduced environmental damage

This modification will have a neutral impact on this area.

Improved quality of service

This modification will have a neutral impact on this area.

Benefits for society as a whole

This modification will have a neutral impact on this area.

Final conclusions -

SMDA Testing is imperative to provide assurance that Devices operate as expected. For Device Testing to be carried out, specialist expertise is required and as such, the SMDASC would benefit from having a wider range of Testing Providers to review.

¹ facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.

Appendix 1: Progression timetable

Timetable	
Event/Action	Date
Draft Proposal raised	5 Feb 2024
CSC converts Draft Proposal to Modification Proposal	20 Feb 2024
Modification Report approved by CSC	20 Feb 2024
Modification Report Consultation	21 Feb – 13 Mar 2024
Change Board Vote	27 Mar 2024

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
CSC	Change Sub-Committee
DCC	Data Communications Company
DUIS	DCC User Interface Specification
HAN	Home Area Network
OPSG	Operations Group
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMDA	Smart Metering Device Assurance
SMDASC	Smart Metering Device Assurance Sub-Committee
SMETS	Smart Meter Equipment Technical Specifications
SMKI PMA	Smart Metering Key Infrastructure Policy Management Authority
SR	Service Request
SSC	Security Sub-Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee
TAG	Testing Advisory Group

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Annex A

Legal text – version 1.0

About this document

This document contains the redlined changes to the SEC that would be required to deliver this Modification Proposal.

Section F ‘Smart Metering System Requirements’

These changes have been redlined against Section F version 17.0.

Amend Section 12.7 as follows:

Independence of Testing Organisations

~~F12.7—Without limiting other circumstances which might preclude a testing organisation from being considered to be independent, a testing organisation appointed pursuant to Section F12.5 may not be:~~

- ~~(a)—a Party (including the DCC), a DCC Service Provider, the Secretariat or the Code Administrator;~~
- ~~(b)—an Affiliate of a Party (including the DCC), a DCC Service Provider, the Secretariat or the Code Administrator; or~~
- ~~(c)—an employee of those entities referred to in paragraph (a) or (b) above.~~