Department for Business, Energy & Industrial Strategy

Modification Proposal:	**Smart Energy Code (SEC) Modification Proposal 0006: Specifying the number of digits for device display**		
Decision:	The Secretary of State[1] directs that the Modification Proposal be made		
Target audience:	Data Communications Company (DCC), SEC Parties, the SEC Panel, Ofgem and other interested parties		
Date of publication:	29 September 2017	Implementation date:	28 June 2018

Background

The Smart Metering Equipment Technical Specifications (SMETS) in force for SMETS2 meters requires that Electricity Smart Metering Equipment (ESME) and Gas Smart Metering Equipment (GSME) Consumption Register values are displayed on the User Interface, but it does not include a specification for the number of meter register digits for smart metering devices to display. As a consequence, the format in which the information is displayed may vary from meter to meter. The Proposer of this modification suggests that the lack of standardisation for these display data items in SMETS creates ambiguity for energy suppliers, who may not know how many digits to expect on a particular device on change of supply (CoS) and change of tenancy (CoT) events. They suggest that this is also likely to confuse consumers, as different suppliers may be using different configurations, and create additional system development costs for all suppliers to manage the potential variations which, if not addressed, could create customer billing error or estimates.

The Modification Proposal

The Modification Proposal (MP) recommends that SMETS be amended to include a specification for the number of digits for device displays, more specifically, that single or twin element ESME be prescribed to display values to five decimal digits, polyphase ESME to six decimal digits and GSME to eight decimal digits. The MP proposes changes to Smart Meters only, and not to any other devices, such as In Home Displays (IHDs) or Pre-Payment Meter Interface Devices (PPMIDs).

The MP was raised by SSE on 1 March 2016. The proposer suggested that the implementation of this modification would better facilitate SEC Objectives (a)[2] (c)[3] and (d)[4], because it would increase standardisation and result in efficiency gains by avoiding unnecessary costs relating to Energy Suppliers' system development and customer service issues, improve consumer experience by having a clear and consistent provision of energy measurement information and support the CoS process by alleviating the risk

[1] References to the "Secretary of State", "BEIS", "we" and "our" are used interchangeably in this document. This decision is made on behalf of the Secretary of State

[2] The first General SEC Objective is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain

[3] The third General SEC Objective is to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems

[4] The fourth General SEC Objective is to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy

of different manufacturer implementations that would have resulted in system development costs and customer billing errors / estimates for Energy Suppliers.

Change Board[5] recommendation

At the Change Board meeting on 23 August 2017, the Change Board considered that the MP would better facilitate the achievement of SEC Objectives (a) and (c), and the Panel therefore recommended its approval. The recommendation was reached unanimously.

The rationale of the Change Board for approving the proposal was as follows:

- The change would support the CoS process, improve interoperability and introduce consistency across User Interface displays, therefore this MP will better facilitate General SEC Objective (a);
- The change would help consumers to better manage their electricity and gas usage and reduce consumer confusion and the number of support calls due to conflicting read information, therefore this MP will better facilitate General SEC Objective (c).

DCC Impact assessment

The DCC confirmed that this MP does not impact their systems and that an Impact Assessment is not required. There will be an impact on SEC Schedule 9 (the change would be made as part of a new version of SMETS being added) and SEC Schedule 11 (Technical Specification Applicability Tables) so the modification needs to be managed into Live as a part of a DCC Release.

Secretary of State's decision

We have in accordance with Section D9.2, had regard to

(a) the Secretary of State's objectives and statutory duties under the Electricity Act 1989 and the Gas Act 1986;

(b) whether or not the approval of the variation would better facilitate the achievement of the SEC Objectives than if the variation was rejected;

(c) the decision of the Change Board in respect of the Modification Proposal.

We have concluded that:

- Making the modification would be consistent with the Secretary of State's principal objective and general duties under the Electricity and Gas Acts; and
- The modification, if made, would better facilitate the achievement of the SEC Objectives, in particular the first General SEC Objective;

5 The Change Board is a sub-committee of the SEC Panel, established and constituted pursuant to and in accordance with Section D8 of the Smart Energy Code.

The Secretary of State has therefore decided that the MP should be approved.

Reasons for our decision

We consider this MP will better facilitate the achievement of SEC Objective (a) and has a neutral impact on SEC Objectives (c) and (d).

a) to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain;

The main benefits of implementing the MP that were put forward during the WG and FMR consultations include:

- transfer of data in a consistent and accurate manner between the Suppliers so that critical business processes, such as CoS and CoT, are not adversely impacted, otherwise resulting in customer confusion, exceptions and additional costs;
- reduced risk of additional system development costs for Suppliers to manage potential variations in how manual meter readings are taken by customers, hence increasing efficient operation and interoperability of Smart Metering Systems and avoiding potential invoicing errors and estimates; and
- potential cost savings in form of reduced helpdesk time, which would otherwise be required to resolve the issues relating to CoS and CoT events, and in relation to invoicing disputes.

Whereas it is our view that the issues contemplated are unlikely to occur in significant volumes, as the Suppliers will be able to directly access the meters of both their existing and churned customers in the SMETS2 environment, should a situation arise where a Supplier is not able to make a remote meter read for some reason and the customer was required to make a manual read in that instance, the implementation of SECMP0006 may reduce potential customer confusion at CoS and CoT events and provide more efficient operation of Smart Metering Systems from the customers' perspective. In addition, the standardisation of the format of information displayed on smart meters would remove the variations between different suppliers in this respect and reduce the risk of additional system development costs to manage these variations, hence increasing interoperability of Smart Meter Systems. Finally, based on the responses received during the WG consultation, it appears that industry costs for implementing this MP are low (in some instances, non-existent, as some Suppliers are already procuring to this standard) and there is no cost for DCC.

Based on the potential benefits of this MP as listed above and in view of the low implementation costs of the change, we find that the SEC Objective (a) is better facilitated by the acceptance of this MP, in a manner which is compatible with the Transition Objective X1.2.

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c) **to facilitate Energy Consumers' management of their use of electricity and gas through the provision to them of appropriate information by means of Smart Metering Systems;**

It has not been sufficiently demonstrated that the customers would choose to read off the Smart Meters rather than, for example, In Home Displays (IHDs) as a means of managing their use of electricity and gas. As such, we consider that there is no evidence to support the statement that this MP would better facilitate SEC Objective (c) and we consider the impact the MP on this Objective to be neutral.

d) **to facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy.**

During the refinement of the MP, some WG members suggested that the modification would better facilitate the fourth SEC Objective by supporting the CoS and CoT process through alleviating risks due to variations in meter model displays, which may result in system development costs and customer service issues if unaddressed. However, no arguments or evidence were put forward by the Proposer and the respondent parties to justify the statement or provide direct linkage to the fourth Objective. We therefore find that the impact of the MP on SEC Objective (d) is neutral.

EU Notification Requirements

This MP must be notified in draft to the European Commission under the Technical Standards and Regulations Directive (TSRD – 2015/1535/EU). Accordingly the decision to approve the proposal cannot come into effect before the end of the allocated standstill period.

Decision notice

1. In accordance with Condition 23 of the DCC Licence and section D of the SEC as varied by section X2.3, the Secretary of State hereby directs that Modification Proposal SECMP0006**: Specifying the number of digits for device display** be made.
2. Where the modification proposal is notified in draft to the European Commission under the Technical Standards and Regulations Directive (TSRD – 2015/1535/EU), the decision in paragraph 1 above will come into effect once the allocated standstill period has ended (provided that no comments or opinions have been received and/or there are no issues still outstanding as result of a detailed opinion).

DStone

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(an official of the Department for Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State)