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Summarising Smart Appliance Consultation Responses

1. Background

In October 2018, BEIS published the Government Response to Consultation on Proposals regarding Smart Appliances[1]. This paper summarises the key outcomes from the response.

2. Government Objectives

BEIS consulted on proposals to mandate standards for smart appliances, based on principles of interoperability, data protection, grid-stability and cyber-security, with additional consumer protection provisions.

The Government wishes to encourage the uptake of smart appliances, to ensure there is adequate protection against potential risks associated with smart appliances and to avoid the UK becoming a dumping ground for sub-standard smart appliances.

The consultation set out the smart appliances upon which they focused – those with the greatest opportunity for consumer Demand-Side Response (DSR) except for electric vehicle DSR, which are the subject of the Automated and Electric Vehicles Act 2018.

3. Further Government Actions

The response sets out several decisions that will lead to further action. The Government:

1. proposes to take primary powers to set regulatory requirements for smart appliances focusing on cold appliances, wet appliances, heating, ventilation, air conditioning and battery storage;
2. expects industry to develop technical standards for smart appliances. The British Standards Institute (BSI) will soon report on the landscape of relevant technical standards;
3. intends to base any regulatory requirements on the principles of interoperability, data privacy, grid-stability and cyber-security, and consumer protection;
4. expects to proceed with many of the functionalities aligning to the principles (in the bullet-point above) and will develop these further with stakeholders;
5. intends to align internationally whenever that is in the UK's interests; and

[1] 'smart appliances' means those which are connected and are able to modulate their electricity consumption in response to signals, such as price.

6. will continue to consider the potential role of a labelling scheme for smart appliances in addition to regulatory requirements set out above.

4. Other Factors Relevant for TABASC

Interoperability

The Government has confirmed that it intends to further develop regulatory requirements to underpin the principles of interoperability, data privacy, grid-stability and cyber-security and intends to consult stakeholders again on the detail of applicable secondary legislation.

The Government's intention is to use open standards to achieve interoperability and refers to interoperability between smart appliances and to avoiding customers being 'locked-in' to any specific manufacturer, supplier or any other actor in the energy system.

Grid-stability and cyber-security

The Government has published its Code of Practice for Consumer Internet of Things Security[2], which brings together what is widely considered good security practice for internet-connected consumer products and appliances.

The Government will also continue to work with industry partners, the System Operator and Distribution Network Operators, and the National Cyber Security Centre (NCSC), as the UK's technical authority on cyber-security, to mitigate the risks posed by internet-connected products and associated services.

Development of functionality for regulatory requirements

The Government has stated that it intends to develop the minimum functionalities relating to the principles of interoperability, data privacy, grid-stability and cyber-security in conjunction with stakeholders and through the development of regulatory requirements. Changes are expected as the Government assesses how best to achieve the key principles.

Energy Data Taskforce

The Government is establishing an Energy Data Taskforce with Ofgem to look across the energy sector to make recommendations to improve the use of data and support competitive markets and enable new business models to deliver value to consumers.

5. Recommendations

The TABASC is requested to **NOTE** the contents of this paper.

Phillip Twiddy

SECAS Team

8 November 2018

[2] https://www.gov.uk/government/publications/secure-by-design