



Department for
Business, Energy
& Industrial Strategy

Department for Business, Energy &
Industrial Strategy
1 Victoria Street
London SW1H 0ET
www.gov.uk/beis

The Authority (Ofgem), the SEC Panel, SEC Parties and other
interested parties

21 January 2019

Dear Colleague,

Government response to November 2018 consultation on amendments to the Smart Energy Code and energy supply licence conditions related to the provision of a DCC SMETS1 Service and other matters; and consultation on the proposed re-designation of the CPL Requirements Document on 11 March 2019

On 5 November 2018 BEIS published a consultation seeking stakeholder views on proposed changes to the Smart Energy Code (SEC) and energy supply licence conditions to enable the provision of a SMETS1 Service by the Data Communications Company (DCC), and to streamline the management of the Commercial Product Assurance (CPA) and Central Products List (CPL) management processes that apply in respect of SMETS2 Devices.

The primary changes proposed in the consultation were:

- Amendments to establish the conditions under which a SMETS1 Smart Metering System will be considered Eligible for Enrolment for the purposes of the SMETS1 enrolment mandate that was concluded on in October 2018.
- The inclusion of a new obligation in the energy supply licence conditions to require energy suppliers to take all reasonable steps to facilitate SMETS1 Smart Metering Systems becoming Eligible for Enrolment with the DCC as soon as reasonably practicable.
- Amendments to the SEC to reflect some potential differences between the communications service provision for SMETS1 and SMETS2 meters.
- Amendments to the SEC to move away from the automatic removal of Devices from the CPL due to CPA non-compliance, towards a risk-based approach which involves the SEC Security Sub-Committee (SSC) taking an evidence-based decision on the most appropriate remedy to pursue. In addition, we proposed to transfer responsibility for maintaining the CPA Security Characteristics to the SSC for enduring industry management.
- A number of further miscellaneous amendments to the regulatory framework to enable the delivery of a SMETS1 service by the DCC. These included a number of definitional changes, proposals to streamline the Commissioning and CPL processes for SMETS1 Device Models, and the inclusion of new provisions to reflect the relationship between the Electricity Supplier and Gas Supplier in respect of gas consumption data stored on the SMETS1 Communications Hub at split supply premises.

The 5 November 2018 consultation also sought stakeholder views on a proposal to re-designate the amended Inventory, Enrolment and Decommissioning Procedures document, which was published alongside the consultation document, as Appendix AC to the SEC on 21 January 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter). Stakeholder views were sought on the proposed re-designation date as well as a draft direction published alongside the consultation document.

This letter, as well as being a response to the 5 November 2018 consultation, also constitutes a further consultation on the proposed re-designation date of 11 March 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter) for the amended CPL Requirements Document attached at Annex D to be incorporated into the SEC as Appendix Z. The 5 November 2018 consultation proposed amendments to the CPL Requirements Document to remove the requirement on energy suppliers to confirm the sub-version of SMETS1 with which a Device Model complies prior to the addition of that Device Model to the CPL, and to implement changes relating to the expiry or withdrawal of Commercial Product Assurance (CPA) certificates in respect of SMETS2 Device Models. These amendments were made on top of the version of the CPL Requirements Document baselined at the Technical and Business Design Group on 18th October 2018, which contains amendments previously consulted on by the DCC in November 2017 and September 2018 to specify the process for addition of SMETS1 Device Models to the CPL¹.

Government response to 5 November 2018 consultation

The Government response attached at Annex A sets out our conclusions in relation to the consultation of 5 November 2018.

Following consideration of the consultation responses we have decided to implement the majority of the proposed changes, having made a number of amendments to take account of stakeholder responses. This includes withdrawing the majority of the proposed Section I amendments in relation to gas consumption data stored on the Gas Proxy Function (which forms part of the electricity meter) at split-supply premises. We have also decided to re-designate the amended IEDP attached at Annex E to this letter as Appendix AC to the SEC today (21 January 2019) in order to incorporate both SMETS1-related changes and a number of consequential amendments relating to the removal of the DCC opt-out for non-domestic smart metering. This letter sets out further below the direction and re-designation to bring the amended IEDP into effect on 21 January 2019.

The legal text implementing the regulatory changes shown at Annexes B and C to this letter will be laid before Parliament today in line with the procedure under section 89 of the Energy Act 2008. Subject to no objection being raised during the 40-day laying period, we expect to bring the relevant modifications to the main body of the SEC and the energy supply licences into effect in March 2019.

Consultation on re-designation of the CPL Requirements Document

We propose to re-designate the amended CPL Requirements Document attached at Annex D as Appendix Z to the SEC, through the draft direction included at Annex F, on 11 March 2019 (or, if necessary, as soon as reasonably practicable within one month thereafter). We would appreciate views on the proposed re-designation date and the draft direction at Annex F in response to this consultation.

¹ See: <https://www.smartdcc.co.uk/smart-future/enrolment-and-adoption/>

Comments on these proposals should be submitted **by 17:00 on Monday 4 February** to smartmetering@beis.gov.uk, or addressed to:

Smart Metering Implementation Programme – Delivery,
Department for Business, Energy & Industrial Strategy,
2nd Floor,
1 Victoria Street,
London SW1H 0ET

Information provided in response to this consultation, including personal data, may be subject to publication or release to other parties, or to disclosure in accordance with the access to information legislation regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 2018, General Data Protection Regulation and the Environmental Information Regulations 2004).

The individual responses to this consultation may be published and you should therefore let us know if you are not content for your response or any part of it to be published. If you indicate that you do not want your response published, we will not publish it automatically but it could still be subject to information requests as detailed above. If you do not want your individual response to be published, or to otherwise be treated as confidential, please say so clearly in writing when you send your response to the consultation. If you want information that you provide to be treated as confidential please say so clearly in writing when you send your response to the consultation. For the purposes of considering access to information requests, it would also be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

We will summarise all responses and place this summary on the [Smart Energy Code website](#). This summary will include a list of names or organisations that responded but not people's personal names, addresses or other contact details.

Direction and re-designation

This direction is made for the purposes of the smart meter communication licences granted to Smart DCC Ltd (the "DCC") under the Electricity Act 1989 and the Gas Act 1986 (the "DCC Licence") and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (the "SEC").

Words and expressions used in this direction shall be interpreted in accordance with Section A (Definitions and Interpretation) of the SEC.

Re-designation of SEC Subsidiary Document

Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State hereby directs that, with effect from 21 January 2019, the Inventory Enrolment and Withdrawal Procedures previously designated into the SEC as Appendix AC is hereby re-designated for incorporation as the Inventory Enrolment and Decommissioning Procedures in the form set out at Annex E to this direction.

For the avoidance of doubt such re-designation shall be without prejudice to anything done

under the DCC Licence or the SEC on or after the Inventory Enrolment and Withdrawal Procedures first being designated, or to the continuing effectiveness of anything done under the Inventory Enrolment and Withdrawal Procedures prior to this re-designation (which shall have effect as if done under the re-designated Inventory Enrolment and Decommissioning Procedures).

This direction is also being notified to the SEC Administrator.

Yours sincerely,



Duncan Stone
Head of Delivery
Smart Metering Implementation Programme

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

List of Annexes to this letter

(These are published separately at: <https://smartenergycodecompany.co.uk/latest-news/government-response-to-5-november-2018-consultation-on-regulatory-changes-related-to-the-provision-of-a-dcc-smets1-service-and-changes-to-the-cpa-and-cpl-management-process-for-smets2-devices-and-co/>)

Annex A	Government response to 5 November consultation
Annex B	Modifications to the Smart Energy Code
Annex C	Modifications to energy supply licence conditions
Annex D	Modifications to SEC Subsidiary Documents (SSDs)
Annex E	Inventory Enrolment and Decommissioning Procedures (re-designation version)
Annex F	Draft CPL Requirements Document re-designation direction