



The Authority (Ofgem), the SEC Panel, SEC Parties and other interested parties 14 February 2019

Dear Colleague,

GOVERNMENT RESPONSE TO CONSULTATION ON INCORPORATION INTO THE SMART ENERGY CODE (SEC) OF THE TRANSITION AND MIGRATION APPROACH DOCUMENT (TMAD) AND ASSOCIATED DIRECTION.

1. On 14 January 2019 BEIS issued a letter that constituted a consultation on incorporating the TMAD into the SEC on 4 February 2019 or as soon as reasonably practicable within one month thereafter. The consultation period closed on 28 January and a total of 6 responses were received from the following parties:

Organisation type	Respondents
Energy suppliers	British Gas Npower SSE Scottish Power
Network operators	Western Power Distribution
Other parties	Energy Networks Association

2. This letter sets out the Government response and directs the incorporation of the version of the TMAD at **Annex A** into the SEC today, 14 February 2019, as Appendix AL. The TMAD that is being incorporated into the SEC is included at Annex A to this letter and contains few changes to the version that was published as part of our January consultation (noted in paragraph 19 of this letter). The version that was consulted on is provided for reference at **Annex B**, together with tracked changes showing a few subsequent changes that are set out below.

Government response to comments on the content of the TMAD

3. In response to our letter of 14 January, in addition to providing views on the designation date of TMAD, a number of respondents made comments on aspects of the proposed TMAD, which are summarised below, together with our responses to them.

Network certificates

4. One Distribution Network Operator (DNO) and one other party (the Energy Networks Association) raised concerns about the process for associating DNO certificates with the devices. They argued that the DCC should populate the DNO certificate field (based on MPAN information) in the Migration Common File (MCF) prior to migrating the devices. They disagreed with DCC's position that they didn't want to create two separate processes for DNOs and Gas Transporters (GTs), since the same information is not available from MPRN for GT certificates, noting that there are currently no plans for GTs to become DCC users and therefore they are not relying on the smart metering system to deliver the network benefits for their customers that DNOs are obliged to do. In addition, the respondents cited additional manual work for Responsible Suppliers to add this information to the MCF, current issues with SMETS2 in correctly associating DNO certificates with the devices and highlighted the risk of DNOs not being able to communicate with the device if Responsible Suppliers omitted the information in the MCF.
5. The TMAD currently provides the possibility (but not an obligation) for Responsible Suppliers to add the network operator certificates to the MCF. If this does not happen, then the post commissioning process set out in Appendix AC of the SEC 'Inventory Enrolment and Decommissioning Procedures' (IEDP) needs to be followed. It places post commissioning obligations on suppliers to associate the network party certificates with the devices after commissioning within 7 days (if they have not been previously added). If a supplier fails to do this, they would be in breach of the SEC and, consequently, their licence.
6. We note further concerns that, unless the suppliers have moved to the correct DUIS version, they won't be able to associate the DNO certificates post commissioning. The TMAD mitigates this risk, by providing an opportunity for the suppliers to add the network certificates during the migration.
7. DCC intends to engage with Responsible Suppliers to encourage them to include the network operator certificates in the MCF. Further to, and failing this, there are existing obligations on suppliers to have the network certificates associated with the device within 7 days of the commissioning.
8. If further obligations were added in the TMAD to oblige the DCC to associate the DNO certificates on behalf of Responsible Suppliers, this would impact the IOC delivery as an automated solution would need to be developed. The DCC has advised us that this could result in potential delays to IOC. In addition, any such obligations would need to be agreed and consulted on.

9. However, we have asked DCC whether there are alternative approaches that it can suggest for IOC whilst not impacting IOC delivery timescales, and also whether an alternative approach can be planned in for MOC and FOC. Should this prove to be the case, the DCC would need to include such changes in a consultation on further TMAD amendments post designation. If DCC can identify an appropriate alternative for IOC, then we would consider re-designating TMAD if necessary to provide for this.

Notification of migration of dormant meters in split supply sites containing active and dormant meters

10. One supplier raised a concern regarding not receiving a notification on the migration of dormant meters that are part of a split supply site containing a combination of active and dormant meters. They argued that this negates the benefit of the advanced notification for installations with all dormant meters, provides a significant burden on the design and build process for the supplier as they would need to redesign the process for applying supplier and Network Operator Certificates for such dormant meters and potentially places them in breach of GDPR by not being able to notify their customers of the migration in advance and that their Smart Meters may start collecting their consumption data again.
11. As the migration of dormant meters that share an installation with an active meter is dictated by the submission of Migration Authorisations for the active meters, the DCC may not be aware of the migrations of active meters until three days prior to the migration date (Clause 4.37). If further obligations are placed on the DCC to provide an advance notification to the Responsible Supplier of the dormant meter once it is aware of the migration date, the DCC informs us that such notifications would not be sent until sometime in the Migration week and therefore would be of limited, if any value, or consequently would require longer delays between the submission of Migration Authorisations and the start of migrations, to allow the DCC (and SMSOs) time to process such notifications ahead of the Migration week. The DCC advises us that implementing such a change to the DCC migration process at this point would also result in delays to IOC in excess of 6 weeks, with the resultant delay in benefits being realised for consumers with dormant meters. In cases where advance notification of dormant migration cannot be provided (due to it being part of an installation that comprises an active meter also), the Responsible Supplier will be notified when the dormant migration has occurred in accordance with TMAD Clause 6.5 (a commissioning alert in DUIS3 or N999 alert in DUIS2), allowing it to then comply with post commissioning obligations.

12. We do not believe that the migration of Dormant Meters should cause a GDPR issue as the DCC informs us that the Responsible Supplier would have to take positive action (i.e. send a Service Request) to retrieve consumption data from a migrated SMETS1 Device. The local collection and storage of metered data by the Smart Metering System is unaffected by the migration event. We therefore conclude that the benefits of not notifying the exact migration date for dormant meters at split sites outweigh the drawbacks of the associated delay to IOC and the potential for the need to introduce additional lead times into Migration Authorisations.

Change of Supplier during the migration

13. One supplier raised concerns with a lack of information regarding the range of supplier events that occur in the course of migration ("inflight"), in respect of dormant meters. They also suggested that the gaining Responsible Suppliers for dormant meters should be allowed to halt the scheduled migrations (this currently being the case for Responsible Suppliers of active meters only), noting that this would ensure that the customers are fully set up within gaining Responsible Suppliers' systems before the migration is carried out.
14. The DCC has informed us that change of supplier events occurring inflight for the migration of dormant meters is adequately catered for in the TMAD procedures. For example, where supplier certificates are to be associated with a meter as part of migration, there is a check that there is no change of supplier event within seven days of the date of checking the relevant Migration Common File. We suggest the supplier should contact the DCC for further information.
15. Responsible Suppliers should be getting ready for the migration of dormant meters and building the capability to be able to operate them as soon as reasonably practicable after they are migrated. Early delivery of such capability will ensure that their customers benefit from receiving a smart service again in respect of migrated dormant meters as soon as possible. We do not consider that an individual supplier's inability to communicate with the devices at the time of the migration of dormant meters should prevent the migration of those meters, not least because it enables other DCC Users to communicate with such meters and any gaining supplier (should the customer wish to switch supplier) to be in a position to operate those meters as smart.

Other comments

16. One supplier called for BEIS to press the DCC to focus on detailed technical workshops for the Final Operating Capability meter cohort, so that they can understand exactly what is expected of them, their service providers and the

DCC during the migration phase. The DCC have informed us that they are progressing with the technical workshops for all operating capabilities.

17. One supplier asked for further information on the operational implementation by the DCC of the matters provided for in Clauses 4.14 and 3.5(d), and the DCC expectancy in terms of provision of the GUID for dormant meters. The supplier is advised to contact the DCC for further details.
18. One supplier observed that three TMAD “child documents” (the Migration Reporting Regime (MRR), Migration Scaling Mechanism (MSM) and Migration Error and Exception Handling Document) are still pending. We note that the MRR and MSM have now been published by the DCC for Consultation, with the Migration Error and Exception Handling Document being anticipated in due course.

Changes post the BEIS consultation and Government response to comments on the proposed designation date

19. BEIS has made a change to the TMAD to correct an error that the DCC has indicated was in the draft TMAD clause 4.8 (a), which should have read “three weeks”, instead of “four weeks” in the first line, and which DCC has confirmed is in line with stakeholder expectations. Additionally, BEIS has deleted Section 15 of the TMAD. This is because, as indicated in earlier TMAD drafts, the DCC considers that this section should be placed in the SMETS1 Supporting Requirements.
20. Four energy suppliers provided views on the proposed designation date, of which all agreed with the proposal while three expressed some concerns. The Government’s response to these concerns is set out in the previous sections of this consultation response. No respondents objected to the proposed designation date.
21. Consequently, we have concluded that it is appropriate to incorporate the version of the TMAD attached at Annex A into the SEC on 14 February 2019.

Direction

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

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

- a) 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 directs

that, with effect from **14 February 2019**, the document set out at **Annex A** in this direction is hereby designated for incorporation as the **Transition and Migration Approach Document**, and shall be incorporated into the SEC as Appendix AL in the form set out at Annex A in this direction.

- b) Pursuant to Section X3.1(b) (Effective Dates) of the SEC, the Secretary of State hereby designates **14 February 2019** as the date from which the Transition and Migration Approach Document shall have legal effect.
- c) Pursuant to Condition 22 of the DCC Licence and Section X5.6 of the SEC, the Secretary of State considers it necessary and expedient for the purposes, and in consequence, of giving full and timely effect to the incorporation of the Transition and Migration Approach Document into the SEC, to amend the definition of “Transition and Migration Approach Document” in Section A1.1 (Definitions) of the SEC by replacing the words “Appendix [TBC]” with the words “Appendix AL”. The Secretary of State hereby designates **14 February 2019** as the date from which the amendment is to have effect in the SEC.

This direction is also being notified to the SEC Administrator.

Yours faithfully,



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

Annex A: Transition and Migration Approach Document (designation version)

Annex B: Transition and Migration Approach Document (tracked changes version)