



Cc. Jacqui Oatway, BEIS

Jacqui Russell, ofgem

29 May 2019

Dear Peter,

Following our recent conversation, I am writing to more formally share Citizens Advice concerns about the difficulties experienced by the Smart Energy Code (SEC) panel when agreeing modifications.

As you know, Citizens Advice is the statutory advocate for consumers in the energy market. We have become increasingly concerned by the difficulties that the SEC panel has faced when trying to ensure modifications can be agreed in a timely and cost-effective manner. The modifications proposed at SEC are essential to ensure the maintenance and development of smart meter functionality. Furthermore, the costs for these modifications are ultimately borne by consumers, so it is vital that they are proportionate and provide value for money.

We are particularly concerned by the progress of SECMP0007 'Firmware updates to In Home Devices (IHD), Pre Payment Meter Interface Device (PPMID)', which was first raised in March 2016. We understand that the aim of this modification is to ensure IHD and PPMID firmware can be updated via the Smart DCC to maintain functionality and support Home Area Network (HAN) Connected Auxiliary Load Control Switches (HCALCS).

Given the length of time that has elapsed since this was first raised, there has recently been discussion of whether the window of opportunity is closing for SECMP0007 to be worthwhile for suppliers, as it will take 12 months to implement when it is agreed. There has also been disagreement between SEC members on the cost, with anticipated costs fluctuating between £10-£20 million.

It's our view that this modification is vital, and there is a real risk that consumers could miss out on the benefits of a huge infrastructure investment if it does not go ahead promptly, and at a reasonable cost. Citizens Advice has consistently advocated that the IHD has an important role in engaging consumers with their energy data. The delays to this change pose a risk that large numbers of PPMIDS and IHDs might become redundant if it is not agreed soon.

Alongside the need for general maintenance of firmware, we also see remote load control as an important capability of smart meters. The smart meter rollout was designed to provide a secure channel for the effective energy demand response solutions that will benefit consumers directly through energy bills, and also indirectly through the efficient operation of the grid. Delays to this process reduce the incentives for consumers to adopt time of use tariffs and purchase smart



devices that can manage load. These are important developments that underpin proposals in the government's Smart Systems and Flexibility Plan. Cost-effective and timely modifications are key if the SEC and DCC are to function well and ensure that maintenance and innovation happen in a timely and cost-effective way.

I understand that the recent 'SEC Mod and BEIS Mandated Change Review' sets out a number of savings and improvements that might be possible. Given the time and urgency of this particular modification it is imperative that the SEC Panel, BEIS and Ofgem are able to work together and make every effort to ensure the cost-effective provision of important modifications.

Please don't hesitate to get in touch if you would like to discuss this in more detail.

Kind regards

Dhara Vyas

Head of Future Energy Services