SMETS1 Enrolment & Operation

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Smart meter roll-out scale and benefits

Manifesto commitment:

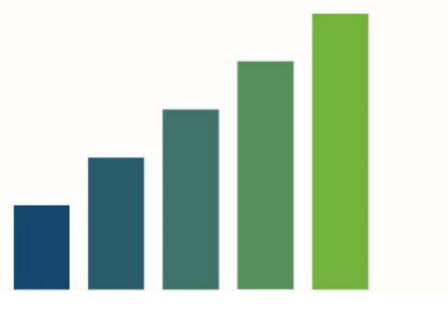
'Ensure that smart meters will be offered to every household and business by the end of 2020, giving people control over their energy bills that they have not had before.'

- 53 million smart meters to be installed in more than 30 million homes and small businesses
- 30 million tonnes of CO₂ savings
- Transformative consumer experience
- Energy supplier cost savings
- Estimated net benefit of around £5.7 billion
- 10,000 times increase in the amount of data
- Platform for a smarter, more **flexible energy system** with cumulative benefits of up to £17 to £40 billion by 2050



Rollout progress as of end March 2019

- 14.3 million no. of smart and advanced meters operating across GB
- 630,000 no. of SMETS2 meters installed (millionth SMETS2 meter installed on 22 May 2019)
- 1,050,100 no. of smart and advance meters installed by large energy suppliers in Q1 2019



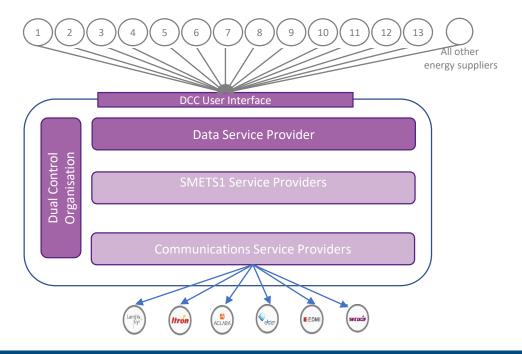
SMETS1 Enrolment & Adoption

SMETS1 Enrolment & Adoption allows a single interface to SMETS1 and SMETS2 meters for all energy suppliers, reducing their contractual/organisational complexity, and allows interoperability for consumers to receive smart services across energy suppliers:

Current SMETS1 Market Structure

1 2 3 4 5 6 7 8 9 10 11 12 13 Energy Supplier Non-Active energy suppliers SMSO SMSO SMETS1 CSP Meter Manufacturer

Future SMETS1 Market Structure



Consumer and Industry Benefits

Clear opportunities from suppliers being in position to operate DCC SMETS1 service early:

Smart Customer Propositions: Energy suppliers will be able to offer Smart propositions including Smart pay as you go and time of use tariffs to customers with SMETS1 meters both dormant and active

Smart Meter Operations: The data from the SMETS1 service can be used to provide accurate billing driving down operational costs, improving settlement performance and remove need for meter readings

Customer Experience Benefits: Smart services allow suppliers to offer greater insight and improved service through accurate billing to consumers helping to reduce call centre traffic related to billing disputes.

Customer Acquisition / Retention Opportunity: By offering a differentiated Smart proposition suppliers can aim to retain and acquire customers with existing active or dormant SMETS1 meters



Regulatory Requirements

Throughout the Smart Energy Code (SEC), SEC Subsidiary Documents and in suppliers Standard Licence Condition (SLC) there are a series of regulations that relate specifically to SMETS1 and the risk of not meeting these need to be managed now:

Eligibility Testing: All suppliers will need to complete Eligibility Testing in order to send and receive messages from SMETS1 meters, large suppliers will need to start this as soon as reasonably practicable (Testing Approach Document for SMETS1 (SEC Appendix AK)

SMETS1 Enrolment Backstop: SLC 54 requires suppliers to replace any SMETS1 meters that have not been enrolled in the DCC by the end of 2020

SMETS1 Enrolment Mandate: SLC 54 requires suppliers to take all reasonable steps to migrate active and dormant SMETS1 meters within 12 months of them being eligible for enrolment into the DCC.

Operating Licence Condition: SLC 49.4 [Operational Licence Condition] requires suppliers to take all reasonable steps to operate SMETS1 meters in smart mode once enrolled (including dormant meters that DCC enrols from 26 May 2019)

"Enrolment of SMETS1 meters is of critical importance as it is the route to resolving the switching issues experienced by some SMETS1 customers, enabling them to realise the enduring benefits of smart metering. We expect suppliers to be planning for the timely testing of systems and enrolment of SMETS1 meters, in line with the licence requirements."

Ofgem Open Letter 2019 Smart Rollout Plans 19 June 2019



Governance Process for Initial Go-Live

 In order to make an operating capability live BEIS will need to approve the addition of at least one Device Model Combination (DMC) on to the Eligible Product Combinations list (EPCL) and will do so with the support of SEC Panel in reviewing evidence from the DCC



• Prior to making the decision at each EPCL entry, BEIS will ask for support from SEC Panel to review both completion of testing phases and Live Services Criteria.

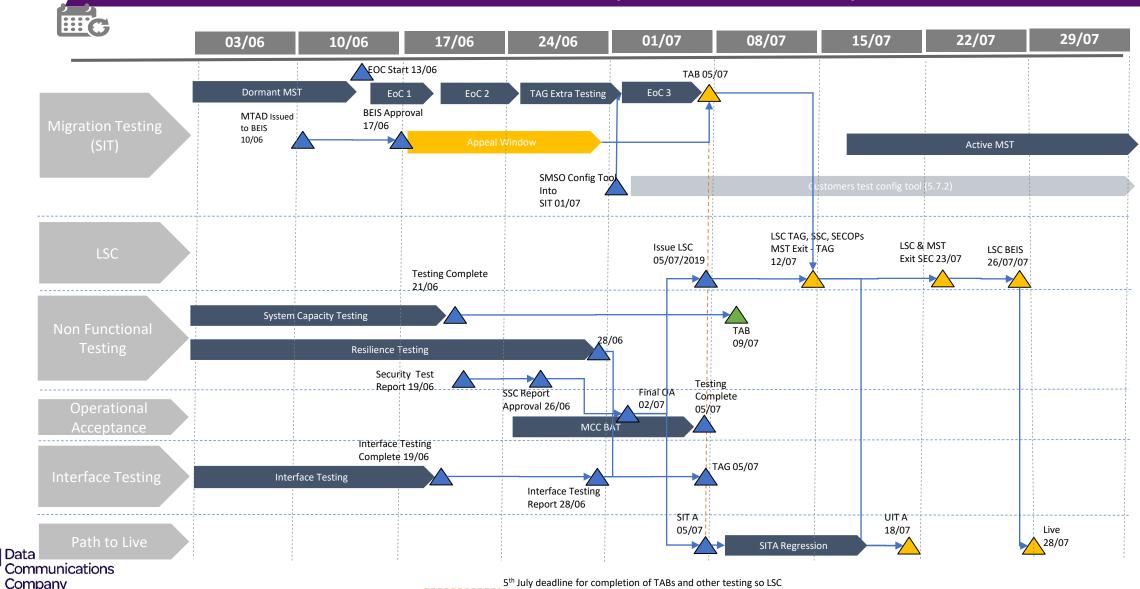
Live Service Criteria

BEIS have set out 10 criteria which must be met before approval of each new EPCL entry and advice will be sort from SEC Panel in review of evidence against these criteria:

1	SMETS1 Migration Services ready including early migration support for relevant Device Model Combination (DMCs)	6	Pre-existing services remain stable for SMETS2 and SMETS1 prior operating capabilities
2	Service Operations capability ready	7	Any lessons learnt from prior operating capabilities are incorporated in to live process
3	SMETS1 Service and Migration can operate at the requisite volumes to support migration and operation of the relevant DMCs and operating capability, in parallel with all SMETS2 activity	8	No detrimental impact to consumers experience expected
4	Regression Testing has completed successfully for SMETS1 and SMETS2 Live Systems	9	Assurance of required Business Continuity/Disaster Recovery
5	Testing of SMETS1 Services for the relevant DMCs has completed successfully	10	Completion of relevant security testing and approval of security architecture



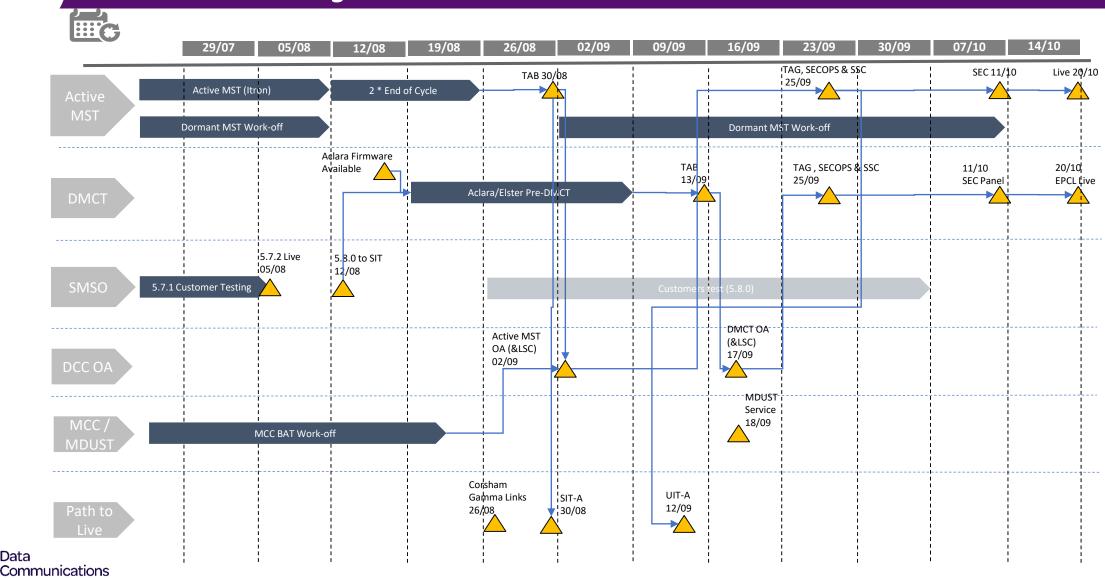
IOC Go-Live Critical Path (17/06/2019)



can be issued

2

IOC Post July 28 2019 Plan



First 30 Day Plan Cumulative volume of SMETS1 installations at end of week 4 following the proposed pacing strategy is **122 installs** Total = 80 During weekend 'cutover' Total = 30 the DCC will undertake the 2 Total = 22 Supplier 1 install of SMETS2 meter to DCC Technically Ready to ensure no adverse 2 2 1 8 Total = 40 Supplier 1 Supplier 2 commence SMETS1 consequence from Total = 10 Total = 2 Migrations. 4 Total = 21 introduction of SMETS1. Supplier 2 Supplier 3 **Supplier 1** Supplier 1 Supplier 3 2 1 8 Total = 28 Supplier 5 Supplier 4 4 Total = 11 Supplier 2 $M \oplus D \oplus D \oplus D$ M T $M \oplus M \oplus M \oplus M$ W M T W $\mathsf{M} \, \mathsf{T} \, \mathsf{W} \, \mathsf{T} \, \mathsf{F}$ M T W T F T F 26/8 5/8 19/8 2/9 12/8 **DAILY PROGRESS REPORTS DAILY PROGRESS REPORTS DAILY PROGRESS REPORTS** DAILY PROGRESS REPORTS **GOVERNANCE APPROVAL DORMANT MIGRATION STARTS WEEKLY SUMMARY WEEKLY SUMMARY MONTH 1 REPORT WEEKLY SUMMARY** 1. Confirmation that Live Service Assumes: • Installs complete Installs complete • Installs complete Criteria document has been 1. SMSO (IE) Dormant Meter Supplier View Supplier View Supplier View approved by BEIS / SEC Panel Configuration Tool is ready following · Cumulative Total Cumulative Total Cumulative Total 2. Approval to Publish 1st EPCL Entry Failed Installs the agreed 4 week testing allowed Failed Installs Failed Installs for dual fuel dormant Itrons to Energy Suppliers (i.e. no delays as Kev Fail Causes Kev Fail Causes Key Fail Causes 3. Trigger to mobilise final uplift & consequence of defects found). SMETS1 Incident SMETS1 Incident • SMETS1 Incident readiness of DCC Production 2. EPCL has been updated with • ETC.... ETC... • ETC... Systems for SMETS1 Migrations: dormant Itron dual fuel entry; **ISSUE BEIS REPORT ISSUE BEIS REPORT ISSUE BEIS REPORT** On a daily basis at 5pm following commencement of SMETS1 Migrations the MCC will issue an email to ExCo and members of DHWG that confirms: Fortnightly BEIS Review Migrations planned for that day of Migration Progress Migrations achieved; migrations failed Key issues experienced during day



Any escalations / support needed

4 MOC and FOC Plans

- DCC has been reviewing impact of changes to IOC plans to MOC and FOC releases
- MOC and FOC dates are likely to move from those currently in the JIP, however this shouldn't stop DCC users getting ready to operate meters
- DCC is currently discussing planning options with BEIS and will engage industry later in the summer
- DCC will also be looking at how it can support the enrolment of all dormant meters as quickly as
 possible and prioritise the migration of any active meters going dormant through CoS before
 they have been enrolled in the DCC. This will allow consumers to promptly regain and retain
 smart services



Thank you

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