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DP111 'SMDA Budget Amendments'

Joint SEC/SMDA Consultation

Joint SEC-SMDA Consultation responses

About this document

This document contains the full non-confidential collated responses received to the DP111 Joint SEC-SMDA Consultation. All confidential responses have been removed and will be shared only with the SEC Panel and SMDA Board members.

Does your response contain any confidential information?

	Respondent	Response
1.	Calvin Asset Management Ltd	No
2.	Chameleon Technology	No
3.	Octopus Energy	No
4.	George Wilson Industries Ltd	Yes
5.	NMI Certin	Yes
6.	Honeywell	No
7.	Western Power Distribution	No
8.	Drax Group (Haven Power and Opus Energy)	No
9.	DCC	No
10.	CMAF	No
11.	EDF	No
12.	Critical Software Technologies Limited	No
13.	E.ON	Yes
14.	Horizon Energy Infrastructure	No
15.	SMS	No
16.	Electricity North West Limited	No

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	Respondent	Response
17.	EUA	No
18.	ENA	No
19.	OVO	No
20.	Scottish and Southern Electricity Networks	No
21.	Utility Warehouse	Yes
22.	Centrica	No
23.	UK Power Networks	No
24.	Landis+Gyr	No
25.	Scottish Power	No

Question 1: What type of industry participant are you?

Question 1	
Respondent	Response
Calvin Asset Management Ltd	Meter Asset Provider (MAP)
Chameleon Technology	IHD/PPMID/CAD device manufacturer
Octopus Energy	Large Energy Supplier
George Wilson Industries Ltd	Device Manufacturer
NMI Certin	Other (please specify) – Test House
Honeywell	Manufacturer
Western Power Distribution	Electricity Network Operator
Drax Group	Energy Supplier
DCC	Other (please specify) – DCC
CMAPI	Meter Asset Provider (MAP)
EDF	Large Energy Supplier
Critical Software Technologies Limited	Other (please specify) – Software Service provider
E.ON	Large Energy Supplier
Horizon Energy Infrastructure	Meter Asset Provider (MAP)
SMS	Other
Electricity North West Limited	Electricity Network Operator

Question 1	
Respondent	Response
EUA	Other (Trade Association)
ENA	Trade Association for Electricity and Gas Network Operators
OVO	Large Energy Supplier
Scottish and Southern Electricity Networks	Networks Party
Utility Warehouse	Large Energy Supplier
Centrica	Large Energy Supplier
UK Power Networks	Electricity Network Operator
Landis+Gyr	Device Manufacturer
ScottishPower Energy Retail Ltd	Large Energy Supplier

Question 2: Are you an SMDA Member, a SEC Party, or both?

Question 2	
Respondent	Response
Calvin Asset Management Ltd	Both
Chameleon Technology	Both
Octopus Energy	SEC Party only
George Wilson Industries Ltd	Both
NMI Certin	Both – SEC Party and the SMDA Appointed Test House
Honeywell	Both
Western Power Distribution	We are members of the SMDA via the ENA (Energy Networks Association)
Drax Group	SEC Party only
DCC	SEC Party only
CMAI	Both – Some members are SMDA Members, SEC Parties or both
EDF	Both
Critical Software Technologies Limited	Both
E.ON	Both
Horizon Energy Infrastructure	Both
SMS	Both
Electricity North West Limited	Both (with SMDA membership being administered through the Energy Networks Association)

Question 2	
Respondent	Response
EUA	Both
ENA	SMDA Member Representing six DNOs and one iDNO (DNOs are all SEC Parties)
OVO	Both
Scottish and Southern Electricity Networks	Both
Utility Warehouse	Both
Centrica	Both
UK Power Networks	Both
Landis+Gyr	Both
ScottishPower Energy Retail Ltd	Both

Question 3: As an independent test assurance scheme, how important is the SMDA Scheme to you in validating interoperability and interchangeability of smart meter devices?

Question 3		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Very important	<p>At the current time the SMDA is the only viable method to provide inter-operability and interchangeability testing. We are fully supportive of the scheme. SMDA assurance is a requirement in our Energy Supplier and Manufacturer Contracts.</p> <p>However, the current scheme has serious problems relating to:</p> <ul style="list-style-type: none"> • Non-mandation of the scheme leading to some suppliers “free-riding” • Funding • Inability to provide a full test due to environment issues • Lack of testing of DCC hubs which restricts the value of the tests carried out and provides the opportunity for devices to fail to work as anticipated with the hubs once installed <p>These problems need to be resolved to secure the long-term viability of the scheme.</p>
Chameleon Technology	Quite important	Not all supplier customers stipulate SMDA as a requirement
Octopus Energy	Neither important nor unimportant	As an inheritor of a very large range of devices the uptake of the current scheme is too patchy to be of value.
George Wilson Industries Ltd	Quite important	Confidential – not for disclosure beyond the groups noted in the cover note.

Question 3		
Respondent	Response	Rationale
NMI Certin	Very important	<p>NMi provides independent and impartial testing and certification services on an international wide basis. It is the global leader in the competitive market testing and certifying measuring instruments for trade.</p> <p>NMi recognises the key role interoperability and interchangeability assurance provides consumers, energy suppliers, DNOs and MAP. NMi provides smart metering testing and assurance services to the GB rollout alongside service provision in other European initiatives.</p> <p>NMi believes the GB rollout, in consideration of the competitive metering market, needs independent interoperability and interchangeability assurance more than most other smart metering rollouts. This is necessary to support competitive markets, asset risk management and to protect consumers. It is difficult to see any argument for not having a Scheme such as SMDA to support the GB rollout.</p>
Honeywell	Important	<p>Both Manufacturers and Suppliers recognise that the industry is reliant on the SMDA Scheme to provide assurance for both interoperability and interchangeability, <i>“Based on the feedback from energy suppliers there is only a low level of test assurance for equipment they inherit on CoS where the device models may be different to those they are installing. Large energy suppliers all pointed to SMDA as providing them with necessary interoperability on change test assurance”</i>.</p> <p>Our customers will stipulate SMDA certification as a contractual requirement, therefore as a manufacturer it is necessary for us to achieve SMDA approval in order to supply meters to the market.</p>
Western Power Distribution	Not very important	<p>As a Network Operator we expect devices that are installed to comply with SEC Requirements. The issues that we are finding in the production environment are not solely in relation to interoperability and interchangeability. We feel that the SMDA Scheme does not support the types of testing, or volume of assured meters that would provide DNOs with the assurance that they require.</p>
Drax Group	Not very important	<p>The concept is good and there are potential benefits if used properly. However, both awareness and use of the Scheme do not seem to be widespread. The metering manufacturers we deal with don't see it as an important stage gate.</p>

Question 3		
Respondent	Response	Rationale
		Without extensive coverage the Scheme's benefits are limited and we do not agree that small suppliers rely on the outputs from SMDA and its membership.
DCC	Neither important nor unimportant	<p>DCC has seen the effects of the lack of mandatory device assurance manifest across a number of activities as the volumes of installed meters, and the corresponding variety of device combinations, increases. We are seeing problems and issues that could or should have been caught prior to occurring in the production environment and affecting DCC's customers and ultimately the energy consumers.</p> <p>Effective, efficient and truly independent device assurance testing is critical to the enduring delivery of DCC services.</p> <p>DCC queries whether the current scheme operated by SMDA fully meets the needs of the industry. It is the assurance solution developed and operated by larger SEC Parties and their device suppliers and financiers, but has not achieved significant engagement for suppliers, meter manufacturers or meter asset providers.</p> <p>The market design intended for device assurance to be a competitive service, and alternative options are emerging, but this proposal seeks to embed SMDA as the only option. Criticism of aspects of the design and operation of the scheme has been expressed by a number of stakeholders – and in the reports described above.</p> <p>A broader debate may be needed to ensure the long-term assurance solution meets the needs of the industry.</p> <p>DCC is concerned that addressing the funding challenges of a competitive service that is not currently economically sustainable may obviate the need to address the reasons why the scheme has failed to deliver.</p>

Question 3		
Respondent	Response	Rationale
CMAP	Very important	CMAP members have been involved in the SMDA scheme from the outset, recognising the need for a device assurance scheme to provide suppliers with a mechanism to satisfy their licence obligations to ensure that the smart devices they are responsible for are inter-operable and inter-changeable. We agree with the BEIS report conclusion that the market is depending on SMDA for interoperability and interchangeability testing and we recognise the need for a central assurance system to provide an effective and cost-efficient mechanism for suppliers to use for all devices including those they install and those that they gain through consumer change of supplier events.
EDF	Very important	<p>SMDA is valuable insofar as it has independence, technical ability and potential access to a 'zoo' of manufacturer devices which enables it to find issues before they impact equipment in the field. SMDA provides a set baseline to assure devices against. The baseline was agreed by leading manufacturers and energy suppliers. SMDA has a structure that enables parties to discuss technical issues at an individual device level.</p> <p>As SMDA members we are aware that the scheme has already flagged interchangeability issues where both devices work as expected with other devices but not when paired together. The devices in question meet the relevant technical specifications, however there will always be differences in the interpretation of these specifications. Without SMDA these examples would never have been discovered until an exchange was carried out in production.</p>
Critical Software Technologies Limited	Very important	Having an independent party providing device assurance is key to ensure reliability and security within SMIP.
E.ON	Very important	With the variety of meter manufacturers within SMETS2 and the increasing levels of churn within the industry, having a singular independent scheme to validate interoperability not only saves industry parties additional costs completing these tests in isolation but also allows for verification of a consistent customer experience regardless of asset type. This supports reduced costs to the customer and an improved customer experience. SMDA provides an independent assurance for an

Question 3		
Respondent	Response	Rationale
		asset that a supplier may have no prior experience with such as on churn, and therefore the supplier can be confident that asset will work as expected.
Horizon Energy Infrastructure	Very important	This is the only scheme that provides this level of testing. It has found issues with devices that haven't been found though any other testing and assurance. We recognise the need for a device assurance scheme to provide suppliers with a mechanism to satisfy their licence obligations to ensure that the smart devices they are responsible for are inter-operable and inter-changeable. We agree with the BEIS report conclusion that the industry is depending on SMDA for interoperability and interchangeability testing. We recognise the need for a central assurance system to provide an effective and cost-efficient mechanism for suppliers to use for all devices including those they install and those that they gain through consumer change of supplier events.
SMS	Important	<p>The Value of the Scheme was in the first initial phase of the roll out, which it was not available for. MAP's therefore took on more risk to get a roll out started in SMDA's absence. Now we are 18 Months + into the roll out, the value of SMDA and Device assurance has not been relevant or provided more assurance than our own testing.</p> <p>The only further value SMDA could add would be at HAN Combination Level, but this is not published – of as widespread as the HAN Combinations listed on the DPL, where in reality – the firmware upgrades are sent to.</p>
Electricity North West Limited	Very important to the Smart Metering System	<p>The Responsible Supplier has a duty to ensure that all the Devices forming part of that Smart Metering System are interoperable with the DCC Total System to the extent necessary to enable those Devices to respond to Commands received from or via the DCC in accordance with the requirements defined in the GB Companion Specification.</p> <p>The SMDA scheme provides independent assurance that ownership and operation of Devices can be safely and securely transferred on a Change of Supply, giving confidence to both the existing and</p>

Question 3		
Respondent	Response	Rationale
		new Energy Suppliers that the devices will operate correctly and deliver benefit to customers and the industry,
EUA	Very important	<p>SMDA was established as a central assurance regime to determine whether Smart Metering Equipment is SMETS(n) compliant from an interoperability perspective (the interpretation of interoperability now includes what was also known as ‘interchangeability’). A number of Suppliers, Manufacturers and Meter Asset Providers (MAPs) identified a common benefit in establishing the SMDA central assurance regime. In doing so it provides a mechanism for all parties, including manufacturers, to test devices against DCC test environments and to give industry assurance through the application of a consistent testing regime. The scheme is independent from any individual manufacturers, Suppliers, DCC or any other industry parties, therefore providing an independent assurance regime (and a not for profit organisation also).</p> <p>As outlined within the consultation, it recognised that the industry is reliant on the SMDA Scheme to provide assurance for both interoperability and interchangeability, “Based on the feedback from energy suppliers there is only a low level of test assurance for equipment they inherit on CoS where the device models may be different to those they are installing. Large energy suppliers all pointed to SMDA as providing them with necessary interoperability on change test assurance”. It is also worth noting the report said Small Energy Suppliers have also confirmed reliance on the outputs from SMDA and its membership.</p> <p>Also, it is recognised by most of our members, while scheme assurance is an integral part of most Meter Manufacturers supply contract (to Suppliers and/or MAPs), the scheme needs to be cost effective, adequately funded in a fair and equitable manner across all benefiting parties, it must be up to date and able to support the key objectives of the scheme now and in the longer term.</p> <p>That noted, that one of our members has expressed concern that under the schemes current form, it is not fit for purpose and an alternative methodology could be sought. They suggest a tool similar to</p>

Question 3		
Respondent	Response	Rationale
		DLMS that can be used and assessed by a body similar to SECAS/DCC/SMDA, this may be a much reduced price. One of the reason sighted for objecting One reason
ENA	Not very important for DNOs as currently scoped but would be essential for the overall success of the smart metering system if the scope can be expanded.	The key challenge for DNOs is that interoperability and interchangeability are not the only areas that have presented issues in the live environment. Therefore, in its current state the SMDA Scheme does not support the types of testing, validation of SEC compliance, or volume of assured meters (currently 2 partially assured ESMEs out of 66 live meter variants), that would provide DNOs with an appropriate level of assurance that devices do comply with the SEC requirements.
OVO	Very important	We believe a central, independent testing agency is essential for Suppliers to meet their licence obligations of ensuring interoperable SMETS2 meters. Such a centralised agency will give cross-industry confidence in new meter variants and firmware releases, and PPMIDs, and over time will dramatically reduce the duplication of testing across industry, thereby lowering costs.
Scottish and Southern Electricity Networks	Important	This is very important for SSEN as this is the only scheme available which has the ability to validate interoperability and interchangeability of smart meter devices.
Utility Warehouse	Very important	Confidential – not for disclosure beyond the groups noted in the cover note.
Centrica	Very important	The SMDA scheme should provide sufficient assurance to suppliers that devices they are installing, or more importantly devices they gain via the change of supplier process, are fit for purpose. It is not

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Question 3		
Respondent	Response	Rationale
		<p>possible for individual manufacturers or suppliers to carry out such test assurance activities on all device, and all device combinations, and therefore we are reliant on the SMDA scheme (or equivalent).</p> <p>The SMDA scheme has had its issues, namely the timing of the scheme alongside the development of DCC systems and communication hub firmware. This has prevented the scheme being utilised to the extent that suppliers had hoped and has prevented devices from achieving full test assurance status. Another concern with the existing scheme is that it does not include all smart metering devices, namely the absence of DCC provided communication hubs. The final issue, and subject of this consultation, has been the funding. As a supplier member of SMDA, we have invested significantly in the scheme and continue to do so. With only a small percentage of suppliers being SMDA members, this inequitable arrangement is not sustainable.</p> <p>We believe all the issues above can be addressed, and should be tackled as part of this review, for an enduring scheme to be put in place that delivers the necessary test assurance that all parties require.</p>
UK Power Networks	Not very important	The key challenge for ENOs is that interoperability and interchangeability are not the only areas that have presented issues in the live environment. Therefore, in its current state the SMDA Scheme does not support the types of testing, validation of SEC compliance, or volume of assured meters (currently two partially assured ESMEs out of 66 live meter variants), that would provide ENOs with an appropriate level of assurance that devices are compliant with SEC requirements.
Landis+Gyr	Quite Important	SMDA would be very valuable if it delivered full assurance on interoperability. This is not the case with the scheme today. A broader selection of devices / firmware should be tested with a higher level of Robustness. Prepayment testing needs significant improvement.
ScottishPower Energy Retail Ltd	Quite Important	While we traditionally regarded SMDA assurance as essential, at this time we note that many millions of Devices have already been deployed into the live environment without having any such

Question 3		
Respondent	Response	Rationale
		accreditation in place. We offer no comment as to the interchangeability of these deployed Devices; however, it should be recognised that the purpose of SMDA was to provide comfort to gaining suppliers that most, if not all, Devices would have such accreditation.

Question 4: Are there any other methods that you currently use to validate interoperability and interchangeability of smart meter devices outside of the SMDA Scheme?

Question 4		
Respondent	Response	Rationale
Calvin Asset Management Ltd		We do not use any other methods outside the SMDA scheme.
Chameleon Technology		Through force of our wide market penetration we have been involved in extensive end to end integration effort since the commencement of the Programme. We have deployment experience with all model combinations, so have a case by case empirical evidence base of interoperability and interchangeability.
Octopus Energy		No formal methods. Just bilaterals with manufacturers and other industry members.
George Wilson Industries Ltd		Confidential – not for disclosure beyond the groups noted in the cover note.
NMI Certin		Not applicable – NMI is an independent test house. We assure interoperability and interchangeability of devices in a number of international markets. Certification free from commercial or other potential conflicts of interest provides the only viable route to demonstrate assurance. The value of independent and impartial testing and assurance is recognised internationally as the only valid means of providing confidence to all relevant parties.
Honeywell		<p>Honeywell completes its own thorough testing of their devices to validate they are SMETS compliant and therefore check a large number of factors related to interoperability.</p> <p>Interchangeability factors are also tested during internal testing with PPMID/IHD manufacturers, Supplier testing and DCC led testing. However it is understood that SMDA is an independent scheme and is able to test a greater level of interchangeability and interoperability using other manufacturers equipment.</p>

Question 4		
Respondent	Response	Rationale
Western Power Distribution		Network Operators are not responsible for the devices or ensuring interoperability and interchangeability and therefore we do not use any methods to validate this. Unfortunately we generally identify issues in the live environment and in most cases these are not related to interoperability or interchangeability.
Drax Group		<p>We check firmware and device models against the Central Products List. Our perception of the SMDA scheme is that few meters have been through the testing, so its usefulness is limited.</p> <p>Ultimately, we have little control over the metering devices we inherit on Change of Supplier (CoS). We are not generally aware of which smart metering device a customer has until we begin supplying them.</p>
DCC		<p>DCC undertakes extensive interoperability testing as part of the change delivery of communications hub hardware and firmware. This is necessarily conducted with a limited, but representative, subset of available smart meter devices, and is constrained mainly by device availability and the readiness or capacity of device manufacturers to support DCC testing alongside supporting testing for SMDA and their energy supplier customers.</p> <p>DCC is working with SMDA to evaluate the opportunities to work together to introduce Communications Hubs into the scheme, but at the time of consultation, the proof of concept activity is ongoing.</p>
CMAF		SMDA is the primary mechanism for MAPs.
EDF		<p>We are only able to validate that the devices that we intend to install are compliant with the Technical Specifications, can be operated as expected, and are interoperable with the DCC. As an output of this testing we check that they work using our own business processes i.e. service requests via the DCC.</p> <p>We have to regression test our devices with new firmware and occasionally hardware versions of DCC Communications Hubs. We also have requirements on our Manufacturers to confirm that the devices we accept meet the relevant certification requirements e.g. ZigBee, DLMS and CPA.</p> <p>What we cannot practically do, and therefore rely on the SMDA for, is obtain and test other energy suppliers' chosen devices against our own HAN device combinations. This would not be viable in terms of cost, time and duplication of effort.</p>

Question 4		
Respondent	Response	Rationale
Critical Software Technologies Limited	N/A	
E.ON		Confidential – not for disclosure beyond the groups noted in the cover note.
Horizon Energy Infrastructure		No other methods are currently used. Some testing is performed through manufacturers, suppliers which is valuable but not extensive.
SMS		SMS host a DCC RTL, in which all meter manufacture volunteer test meters. HAN Combinations are created, based on DCC's DPL – prioritised by the Energy Suppliers Portfolio of different HAN Combinations and then issued the appropriate firmware upgrade, a set of end to end regression tests are made to prove HAN Stability as well as performance of the new firmware. This is repeated to a multitude of HAN Combinations and the results published to Energy Suppliers. If a change to a HAN combination regressed – an alternative upgrade path is advised (if available) and if not – the firmware is rejected.
Electricity North West Limited		Interoperability is an Energy Supplier responsibility and therefore not applicable to an Electricity Network Party.
EUA		<p>Meter Manufacturers conduct a significant level of testing of their devices to validate they are SMETS(n) compliant and therefore cover many aspects of interoperability. There is also some testing completed with the DCC / other Meter Manufactures at the DCC test event.</p> <p>Also, there is generally Supplier end to end testing completed within the full Smart test Eco-system, but again focusing on interoperability with the DCC. The Supplier testing also tends to focus on the key Business Processes to support their Business Drivers and therefore may not cover all aspects of functionality. As outlined above, SMDA is an independent scheme and therefore endeavours to have a wider remit of interoperability assurance, but also has a focus on interchangeability, which is unique. Therefore, SMDA assurance covers both interoperability and interchangeability.</p>

Question 4		
Respondent	Response	Rationale
		That noted, one member outlined to their knowledge there is little evidence in the field that interchangeability is happening at present. Typically, if issues with devices are encountered following CoS, they believe the whole set is generally replaced.
ENA		Ensuring interoperability and interchangeability is not a DNO responsibility and as a consequence DNOs do not currently deploy any validation or testing methods. Identification of incidents and issues with devices is mainly through live operations. This is not the preference of our members; our DNO members would like to see a scheme that validated device compliance and reliability meeting DNO requirements before devices were released into live. Many of these incidents and issues are associated with the design of device / systems rather than being directly related to interoperability and interchangeability.
OVO		We currently run a large suite of technical tests on each device firmware release, be it meter, PPMID or Comms Hub. We test a growing number of combinations whenever a new release is made available.
Scottish and Southern Electricity Networks		The only other means to validate interoperability is through our test devices within the DCC test labs. Unfortunately, the devices provided are not reflective of the production environment devices, so a lot of validation happens in the production environment which is not preferable and does not compliment the assurance provided by SMDA, as the device's tested are also a very small sample of the total production estate.
Utility Warehouse		Confidential – not for disclosure beyond the groups noted in the cover note.
Centrica		We undertake our own testing with the combination of devices that we utilise for our own installations (e.g. a mix of different manufacturer devices and, where possible, DCC provided Comms Hub variants). We also rely on manufacturer's own testing of devices / firmware prior to that being released to us for our own testing. As SMETS2 becomes more mature, and we move from a smart programme to full business as usual environment, we expect our own testing resource / effort to diminish and instead place our reliance on manufacturer testing and the SMDA scheme (or equivalent).

Question 4		
Respondent	Response	Rationale
UK Power Networks		Identification of incidents and issues with devices is mainly through live operations where these issues are related device design and parameters. This is not our preference; we would very much like to have a scheme that validated device compliance and reliability meeting ENO requirements before devices were released into the live environment.
Landis+Gyr		Testing to prove compliance with SMETS is performed on all firmware releases. We attend DCC Interop events along with other manufacturers, perform UIT testing, GFI testing and have internal end-to-end testing. Suppliers also perform end-to-end testing, and we support them with that.
ScottishPower Energy Retail Ltd		As we only test the devices from manufacturers with whom we have an existing contractual relationship, we expected to be able to rely upon SMDA to provide a level of confidence that other Devices will behave as anticipated: i.e. are interoperable / interchangeable. However, we cannot say with any real confidence that this is the case at this time. Nevertheless, we do not presently have any alternative to the SMDA scheme to validate Device interoperability / interchangeability.

Question 5: To what extent do you agree that the funding mechanism for the SMDA Scheme needs to change?

Question 5		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Strongly agree	<p>The current funding structure has not provided a viable scheme.</p> <p>Due to the current voluntary nature of the scheme some suppliers have opted not to participate leading to the remaining suppliers supporting the full cost of setting up the scheme. This is not acceptable as all suppliers benefit from the assurance testing carried out and should be contributing to the costs.</p> <p>The current mechanism recovers the on-going running costs of the scheme via the testing fees paid by device manufacturers when a device is submitted for testing. This has made the testing fees extremely high leading to reluctance from device manufacturers to submit devices for testing. This needs to be changed so that testing fees for manufacturers are set at a level which represents the true testing costs of devices and is affordable and acceptable to manufacturers.</p>
Chameleon Technology	Strongly agree	The funding model has never been viable given the lack of support from all suppliers and therefore indifferent approach to device submission on the part of many manufacturers.
Octopus Energy	Agree	The current approach is too limited in extent and too marginal in influence to be of value. To make it of value requires more funding which cannot be done under the current structure.
George Wilson Industries Ltd	Strongly agree	Confidential – not for disclosure beyond the groups noted in the cover note.
NMI Certin	Strongly agree	The risk, articulated in the background to this consultation, that the SMDA Scheme is unviable should be considered an issue. To date the current financial model has proven to be financially unsustainable with income from testing fees (and initial set-up cost recovery from the Scheme) not meeting the Scheme's or Test Lab costs for operation of the SMDA test facility, service delivery and the Scheme.

Question 5		
Respondent	Response	Rationale
		There is little evidence that future income generated through test fees, under the current funding mechanism, will be sufficient to maintain SMDA service provision on an enduring basis. Therefore without a positive resolution to the SMDA cost recovery issues the ongoing provision of SMDA services is at significant risk.
Honeywell	Strongly agree	Due to the delays seen in, and the subsequent extension of, the BEIS SMIP programme, the SMDA Scheme is set to extend beyond its expected lifetime. The original model required a significant number of devices to be tested over a short period of time. This model has now changed and the current funding mechanism can not support the new scheme life.
Western Power Distribution	Strongly agree	We feel that the scheme at present isn't working as intended and therefore something needs to change. However as a Network Operator, we expect meters that are installed to be compliant and therefore do not expect to incur any costs towards assuring these devices.
Drax Group	Disagree (given the scheme as it stands)	If funding received to date has not been enough to cover the costs of running the Scheme, we would question whether the costs of the scheme outweigh the benefits. As such, the Scheme should be reviewed to see how it can be enhanced to drive greater value and therefore more uptake. Until that happens, the charges should not be arbitrarily levied on the wider industry who make little or no use of it.
DCC	Neither agree nor disagree	<p>As per our response to Question 3, we believe that further rationale is required to evaluate why the original funding model has failed, in order to ensure that any fundamental issues do not perpetuate should mandatory funding for all Suppliers be introduced.</p> <p>Interoperability and Interchangeability testing is very valuable, but the current approach appears to be very expensive and that cost has become a barrier to engagement for a number of parties.</p> <p>It is also worth highlighting that making SMDA testing mandatory through changes to the SEC may be inconsistent with SEC Objective (d). The objective is "facilitate effective competition between persons engaged in, or in Commercial Activities connected with, the Supply of Energy".</p>

Question 5		
Respondent	Response	Rationale
CMAP	Agree	The existing SMDA scheme has not yet been able to fully provide this assurance scheme due to a number of issues including environment issues preventing full testing, delays in devices being ready for testing, and funding issues. We agree with the NAO report conclusion that the funding model needs to change to support the ongoing viability of the scheme.
EDF	Strongly agree	<p>Without a fair funding mechanism moving forward it is likely that the scheme would have to close.</p> <p>To date SMDA has been funded by a limited set of parties whilst others that gain benefit from SMDA assurance of devices they may use have refused to pay for SMDA membership or provide any provision towards the on-going operating and development costs of the scheme.</p> <p>This situation is no longer sustainable. The energy market has changed; the proportion of customers served by the original large energy supplier community that has borne the highest cost burden to date has reduced. Those that have subsidised the rest of industry to date are no longer a position to do so.</p> <p>As cited in the NAO and BEIS reports, SMDA is a test regime that all types of industry participant (including the small energy suppliers and regulatory bodies) seem to agree is required.</p> <p>If the benefits of the scheme are clear to said parties then they should pay a fair share rather than risk an outcome of SMDA scheme closure.</p>
Critical Software Technologies Limited	Neither agree nor disagree	
E.ON	Agree	<p>It is important to ensure the longevity of the scheme and share the costs across SEC parties as common beneficiaries. It has also been discussed that previous and current funding partners will not provide any additional funding going forwards.</p> <p>Currently assets are being submitted to the scheme after suppliers have installed these assets in customer homes. The costs need encourage or incentivise manufacturers to submit candidates as soon as available. SMDA need to</p>

Question 5		
Respondent	Response	Rationale
		ensure that funding mechanisms result in the assurance of firmware and hardware prior to these being installed, rather than afterwards which detracts some of the schemes benefits.
Horizon Energy Infrastructure	Strongly agree	The scheme is required to prove interoperability testing and due to many delays and issues within the SMIP programme as a whole it's found it difficult to have a stable baseline to test hence, the existing SMDA scheme has not yet been able to fully provide this assurance scheme. We agree with the NAO report conclusion that the funding model needs to change to support the ongoing viability of the scheme.
SMS	Agree	The current model is putting too much financial pressure on Device Manufactures at a time a very similar output is achieved for free (for the meter manufactures), although the output is not shared industry wide – it is an independent and comprehensive view assuring energy suppliers, MAPs and Device Manufactures that change has not caused regression – across varying HAN combinations.
Electricity North West Limited	Strongly agree	There hasn't been 'buy-in' from all Energy Supplier's even though they are responsible for ensuring meters are compliant and benefit from this scheme. As an Electricity Network Party, we should not pick up any additional costs if the funding mechanism of the SMDA scheme changes.
EUA	Strongly agree	As outlined within the consultation, the SMDA Scheme has been funded by its Energy Supplier, MAP and Manufacturer members, either through set up fees, subscription fees and/or testing fees. The overall programme is significantly behind schedule compared to the original plan when the fund model was derived. The impact has seen the volume of devices through the scheme being significantly lower than expected, the costs for testing devices through SMDA is very high, particularly for Small Meter Manufacturers so this can be a barrier to enter the scheme and therefore overall the funding received to date have not been enough to cover the costs of running the Scheme. For the Scheme to remain viable today but more importantly also in the longer term, and therefore providing a level of assurance for devices the whole industry will benefit from, protect actual customer experience and build confidence, the funding arrangement needs to provide a sustainable and forward looking assurance mechanism.
ENA	Strongly agree	Our DNO members agree with the findings of the NAO, that the current funding mechanism is not sustainable. However, as ENO's under the SEC, our members are not accountable or responsible for ensuring compliant meters

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Question 5		
Respondent	Response	Rationale
		are released into the live environment and do not feel that they should incur any associated compliance assurance costs.
OVO	Strongly agree	The level of device submission by manufacturers is too low to support the current model, dependent as it is on such income to fund future development of the scheme.
Scottish and Southern Electricity Networks	Strongly agree	SSEN agree with the findings of the NAO, that the current funding mechanism is not sustainable. However, SSEN as a Networks Party are not accountable or responsible for ensuring compliant meters are released into production so SSEN feel the new funding scheme should take this into account.
Utility Warehouse	Strongly agree	The current funding mechanism is unfair as it relies on funding from a small group of suppliers despite the majority of the market benefiting from the scheme. We believe the funding mechanism needs to be updated to ensure long-term viability of the scheme.
Centrica	Strongly agree	<p>The current funding model is not sustainable. The two main issues we see are:</p> <ul style="list-style-type: none"> • There are a limited number of supplier members who, along with Meter Asset Provider members, have had to invest in the SMDA scheme to ensure that it can continue to operate – this is inequitable as all suppliers benefit from the scheme but only a few are financially contributing; and • Test Fees are considered ‘high’ which is in part due to a level of fixed scheme costs being attributed to test fees and being charged only to the few manufacturers that have submitted devices for testing. This has led to a reduction in forecast demand and a lack of confidence in the scheme.
UK Power Networks	Strongly agree	We agree with the findings of the NAO, that the current funding mechanism is not sustainable, but as ENOs under the SEC we are not accountable or responsible for ensuring compliant meters are released into live environment and do not feel that we should incur any costs associated with compliance assurance. This cost should remain with suppliers who are accountable under the SEC for this activity

Question 5		
Respondent	Response	Rationale
Landis+Gyr	Strongly agree	The current model is not working due to the lower than expected number of devices being submitted for testing. Therefore, it is necessary for the financial preservation of the scheme. It is important that the costs are shared in an equitable manner thought the industry.
ScottishPower Energy Retail Ltd	Agree	The current arrangements have always been fraught with difficulty, rendering uncertainties.

Question 6: Having considered the different funding options outlined in Table 1, please rank the nine options in accordance to your preference.

Question 6			
Respondent	Category	Response	Rationale
Calvin Asset Management Ltd	Increase costs for existing SMDA members	8	
	Redesign the current funding model	3	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	7	
	SMDA Co becomes a contracted service provider to DCC	5	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	4	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme is mandated via BEIS	2	
	No change to current funding model	9	
			<p>for the fixed costs in addition to the testing costs (variable costs). (rated 9)</p> <p>Increasing costs for existing members will not solve the problem of “free-riders” or high testing fees (rated 8)</p> <p>Changing the method of charge collection does not correct the fundamental problems with the existing funding model (rated 7)</p> <p>Replacing the existing scheme will take too long and a DCC provided scheme will not give an independent view of assurance that industry requires (rated 6)</p> <p>SMDA Co becoming a DCC service provider would result in all suppliers contributing via DCC charges but would not address the fundamental issue of high testing fees (rated 5)</p> <p>Absorbing SMDA into the DCC will not provide the independence the assurance process requires (rated 4)</p> <p>A redesign of the existing funding model could be considered (rated 3) but additional changes would have to be made hand-in-hand with this change including mandation of the scheme (rated 2) and reconsideration of how the on-going fixed costs of the scheme are recovered.</p> <p>This leaves the funding of the SMDA through SEC as the preferred option.</p>
Chameleon Technology	Increase costs for existing SMDA members	9	

Question 6			
Respondent	Category	Response	Rationale
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	2	
	SMDA Co becomes a contracted service provider to DCC	6	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	4	
	The SMDA Scheme is mandated via BEIS	3	
	No change to current funding model	8	

Question 6			
Respondent	Category	Response	Rationale
			Overall, SMDA in whatever form it takes must be compulsorily implemented. As long as it remains optional it will deter full participation. Also, it is extremely important to ensure that the new solution encompasses the comms hub variants. There is no point to a device assurance scheme that omits the core device with which all others must interoperate. There is no point to a device assurance scheme that omits the core device with which all others must interoperate.
Octopus Energy	Increase costs for existing SMDA members	9	
	Redesign the current funding model		
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	7	
	SMDA Co becomes a contracted service provider to DCC		
	The SMDA Scheme becomes subsumed into, and operated by, DCC		
	The SMDA Scheme is replaced with a new		

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Question 6			
Respondent	Category	Response	Rationale
	assurance mechanism provided through the DCC		
	The SMDA Scheme is mandated via BEIS		
	No change to current funding model	9	
			SEC is the right place to determine transitional governance and location of final solution which may be another party.
George Wilson Industries Ltd	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	
	SMDA Co becomes a contracted service provider to DCC	5	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme becomes subsumed into, and operated by, DCC	4	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	
	The SMDA Scheme is mandated via BEIS	2	
	No change to current funding model	8	
NMI Certain	Increase costs for existing SMDA members	6	
	Redesign the current funding model	5	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	2	

Question 6			
Respondent	Category	Response	Rationale
	SMDA Co becomes a contracted service provider to DCC	4	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	8	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	7	
	The SMDA Scheme is mandated via BEIS	3	
	No change to current funding model	9	
			<p>The rationale for this response is set out below:</p> <p>1 – Scheme is funded through the SEC – we agree that recovering fixed costs of SMDA as the preferred funding mechanism. This recognises that the major beneficiaries of the Scheme fund the fixed cost elements on an equitable basis. Device manufacturers still pay for the testing operations without the financial burden of recovery of the fixed costs of the Scheme – there is evidence that the current test fee structure has disincentivised manufacturers from submitting devices to the Scheme</p> <p>We agree with the assessment provided within this consultation. Furthermore NMI strongly believes that:</p>

Question 6			
Respondent	Category	Response	Rationale
			<ul style="list-style-type: none"> Delivering SMDA testing services through DCC is inappropriate - lack of independence/impartiality, impact to competitive testing service markets and DCC's track record of questionable technical assurance management are further reasons to resist DCC operational involvement in SMDA operation and/or testing provision Increase costs for existing SMDA members – additionally it should be recognised that there are energy suppliers, MAPs and other entities that benefit from the SMDA Scheme outputs but are not members (i.e. and therefore do not currently contribute to the cost recovery or support the Scheme). Increasing the Scheme cost recovery burden will increase this disparity further No change to current funding model – as noted in the response to Question 5, the current financial model has proven to be financially unsustainable. There is little evidence that the key funding element of the model (i.e. income generated via test fees) will be sufficient to maintain test house services provision on an enduring basis. <p>It is unclear why BEIS mandating of the Scheme is included as a funding option. Mandating that energy suppliers are only permitted to use SMDA certified smart metering devices can be mutually exclusive to the funding mechanism. BEIS or Ofgem (either acting as the Gas and Electricity Markets Authority) could implement this requirement and still rely on the industry to deliver and manage the SMDA Scheme.</p> <p>This action would ensure all industry players are sufficiently incentivised to support the SMDA Scheme and Test House and assure its financial viability. It would also ensure energy consumers and all market players derive the benefits of device interchangeability assured through the SMDA Scheme.</p>

Question 6			
Respondent	Category	Response	Rationale
Honeywell	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	
	SMDA Co becomes a contracted service provider to DCC	4	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	
	The SMDA Scheme is mandated via BEIS	2	

Question 6			
Respondent	Category	Response	Rationale
	No change to current funding model	8	
Western Power Distribution	Increase costs for existing SMDA members	8	
	Redesign the current funding model	2	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	4	
	SMDA Co becomes a contracted service provider to DCC	3	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	7	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme is mandated via BEIS	6	
	No change to current funding model	9	
			We believe that the scheme should be funded through the SEC but ensuring appropriate governance. We do not believe that the DCC should be responsible for managing this scheme as we don't believe, based on experience working with the DCC, that they are in a situation to take on this additional responsibility. We believe that independent testing is best to ensure value for all SEC Parties.
Drax Group	Increase costs for existing SMDA members		
	Redesign the current funding model		
	The SMDA Scheme is funded through the SEC		
	DCC collects the charges as pass-through, similar to Alt HAN funding		
	SMDA Co becomes a contracted service provider to DCC		

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme becomes subsumed into, and operated by, DCC		
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC		
	The SMDA Scheme is mandated via BEIS		
	No change to current funding model	1	As expressed in our response to Q5, we believe a thorough review of the SMDA Scheme is needed before considering an alternative funding model.
DCC			No comment
CMAF	Increase costs for existing SMDA members	8	
	Redesign the current funding model		
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding		

Question 6			
Respondent	Category	Response	Rationale
	SMDA Co becomes a contracted service provider to DCC		
	The SMDA Scheme becomes subsumed into, and operated by, DCC		
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC		
	The SMDA Scheme is mandated via BEIS	2	
	No change to current funding model	9	
EDF	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	If the scheme was funded under the SEC there would be complete transparency via the SEC Panel and, if agreed, its Panel representative on the SMDA Co. Board, enabling all of the represented industry parties to be involved and have a say in a scheme that they would be paying to provide. .This involvement should encourage all relevant parties to use SMDA

Question 6			
Respondent	Category	Response	Rationale
			as we believe it is the most cost effective common way to achieve a level of device confidence on CoS churn.
	DCC collects the charges as pass-through, similar to Alt HAN funding	2	The second option of a pass through charge via DCC also provides a fairer charging mechanism. There is a concern that DCC may not have the level of checks and balances that the SEC Panel could provide. For example, for Alt HAN DCC are tasked with collecting and passing through payments, not to confirm that payments are justified and reasonable. A similar model could be agreed for SMDA but a process to evaluate the cost justification before monies are committed would need to be explored further.
	SMDA Co becomes a contracted service provider to DCC	3	SMDA should become a contracted service provider to DCC to allow independent assurance of DCC Communications Hubs and DCC should pay for this independent service. This may require changes to DCC's own licence conditions which would need to be explored further. We understand that DCC has its own substantial test facilities, however to date in some cases the failure to get to a stable Communications Hub firmware version and the increasing requests for energy suppliers to test their equipment against new versions suggests the need for an independent organisation such as SMDA to assure DCC Communications Hubs. This would provide industry with a high potential for cost savings, as many suppliers are duplicating communications hub defect and regression testing effort but are not and should not be, in a position where they have to provide for interchangeability between different 'Original Equipment Manufacturers' (OEMs) when another party including DCC Communication Hubs introduces the change.
	The SMDA Scheme becomes subsumed into, and operated by, DCC	4	SMDA could be subsumed within DCC and we would be happy to look at options for this. However, we would have concerns around losing the independent element of the scheme, and would suggest that if this were the case that relevant obligations are put in place to ensure that manufacturers know they have to gain SMDA assurance via DCC. A sensible approach would need to be taken when deciding new or additional obligations. For example

Question 6			
Respondent	Category	Response	Rationale
			if it were an energy supplier obligation, some flexibility to account for SMETS2 devices already in use would need to be explored. This has worked with other requirements; for example CPA where manufacturers know they cannot get products onto the CPL without CPA assurance. This could operate in a similar way to the MID approved meter list that provides energy suppliers and MAPs with an assured list to procure from, rather than taking responsibility to provide the list.
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	5	<p>It makes sense for the DCC to provide assurance that the devices which are expected to run via its communications and processing platform are capable of doing so. DCC already run UEPT for DCC Users so they have the experience to set up a device entry element, for manufacturers to use direct. Again, a sensible approach to obligations on the DCC would need to be explored, especially when it comes to existing devices.</p> <p>We are also open to suggestions that DCC provide a new scheme with DCC providing assurance. This was the original BEIS (DECC at the time) position via the DECC led FTTS 'Foundation Test and Trials Group'. In 2010 the FTTS initially fed into the production of the SEC and advised on the set up of test requirements for DCC before it existed. If this became the reality then DCC would need a formal framework that provides device assurance to at least the same standards as SMDA.</p>
	The SMDA Scheme is mandated via BEIS	6	<p>With regards to SMDA being mandated by BEIS, there would need to be a clear rationale provided as to the end goal of any additional mandation. There are already obligations that have failed to deliver. The DECC representatives we discussed SMDA with in 2010 did not believe interchangeability testing was needed as interoperable technical specifications should suffice. The rationale for this being that a GSME and ESME do not directly communicate with each other, meaning interchangeability should not be a problem. However, time has shown that PPMIDs and other devices do behave differently depending on the meter and or communications hub combination they are paired with.</p>

Question 6			
Respondent	Category	Response	Rationale
			To date all obligations for metering devices sit with the energy suppliers and DCC are responsible for Communications Hubs. The real problem is that manufacturers know that, unlike CPA, SMDA is not a mandated requirement to be able to sell their products. Manufacturers also know that energy suppliers have obligations to install SMETS2 or later devices within prescribed time periods. These conflicts would have to be taken into account before any amended or additional obligations were placed that involved energy suppliers. We are at the end of the chain, relying on relevant unambiguous technical specifications being followed by manufacturers to supply metering devices and Communications Hubs.
	No change to current funding model	8	
			At this late stage any obligations should only be set up with a clear intention for SMDA to move forward to deliver its objectives with industry backed funding shared fairly across all parties that stand to benefit.
Critical Software Technologies Limited	Increase costs for existing SMDA members	8	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	2	
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	

Question 6			
Respondent	Category	Response	Rationale
	SMDA Co becomes a contracted service provider to DCC	4	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	
	The SMDA Scheme is mandated via BEIS	1	
	No change to current funding model	9	
E.ON	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	

Question 6			
Respondent	Category	Response	Rationale
	DCC collects the charges as pass-through, similar to Alt HAN funding	2	
	SMDA Co becomes a contracted service provider to DCC	3	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	4	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	
	The SMDA Scheme is mandated via BEIS	5	
	No change to current funding model	8	
			We have ranked those that share the costs more equally across the industry near the top, those where some of the scheme may lose some independence in the middle and those that could cause delays or additional costs near the bottom.
Horizon Energy Infrastructure	Increase costs for existing SMDA members	9	

Question 6			
Respondent	Category	Response	Rationale
	Redesign the current funding model	4	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	2	
	SMDA Co becomes a contracted service provider to DCC	7	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	8	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	9	
	The SMDA Scheme is mandated via BEIS	3	
	No change to current funding model	9	

Question 6			
Respondent	Category	Response	Rationale
			Without changes to the current funding model then it is likely that SMDA will cease to exist leaving an issue with interoperability testing. DCC providing the testing is not an option as the testing should be independent and should also include DCC comms hubs, there have been far too many issues recently where comms hubs have caused backwards compatibility issues – this must be prevented. Existing members of SMDA have borne the costs of SMDA for several years and increasing costs is likely to reduce the number of members thus defeating the purpose. The cost of SMDA should be shared amongst all of those that benefit from it, the simplest way is through SEC charges or the DCC.
SMS	Increase costs for existing SMDA members	9	
	Redesign the current funding model	1	
	The SMDA Scheme is funded through the SEC	3	
	DCC collects the charges as pass-through, similar to Alt HAN funding	4	
	SMDA Co becomes a contracted service provider to DCC	8	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	7	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	2	
	The SMDA Scheme is mandated via BEIS	6	
	No change to current funding model	5	
Electricity North West Limited	Increase costs for existing SMDA members	6	
	Redesign the current funding model	5	
	The SMDA Scheme is funded through the SEC	2	
	DCC collects the charges as pass-through, similar to Alt HAN funding	1	
	SMDA Co becomes a contracted service provider to DCC	3	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme becomes subsumed into, and operated by, DCC	7	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	8	
	The SMDA Scheme is mandated via BEIS	4	
	No change to current funding model	9	
			<p>When reviewing the options and deciding on how to rank them, our main priority was to ensure that options resulting in only industry beneficiaries (ie Energy Supplier Parties) of the scheme providing the funding were ranked higher than those options that had the potential for all industry participants to provide funding. The latter resulting in a potential increase in costs for our customers. We also took into consideration that the procurement of compliant meter devices is an obligation on Energy Suppliers.</p> <p>We believe that the current pass-through arrangements for ALT HAN funding work well and that a similar approach would also work for the funding of the SMDA Scheme, so have ranked that as our preferred option. Our second option is for the SMDA Scheme to be funded through the SEC, but with the expectation that costs would be ring fenced for Suppliers only as Explicit Charges and Electricity Network parties would not incur any additional costs under their Fixed Charges.</p>

Question 6			
Respondent	Category	Response	Rationale
EUA	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	
	SMDA Co becomes a contracted service provider to DCC	4	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	6	
	The SMDA Scheme is mandated via BEIS	2	

Question 6			
Respondent	Category	Response	Rationale
	No change to current funding model	8	
			<p>EUA had a number of responses from members, with some deviations from the above ranking, but EUA has aimed to take the balanced view from all and provide a consolidated response. The key point to note, all members and feedback received by EUA advocate the Scheme needs to be funded via the SEC. It was noted that if this is not progressed, that significantly amount of work would need to be done on the cost benefit/cost analysis of options to provided information that would allow more considerations of some of the other funding models lower in the ranking.</p> <p>Cost distribution though SECAS is second less attractive option but financial burden smeared across all energy supplies and MAP's for base line costs of SMDA then manufacturers only pay for testing time</p>
ENA			It has not been possible for ENA to obtain consensus from DNO members on the priority for the 9 options in Q6. However, our members consider that “No change to the current funding model” is the least preferred and that “Funding SMDA through SEC” and “DCC Collection of charges as with Alt-HAN” are amongst the most preferred options. The DNOs that are responding to this consultation will provide the priority details for their preferred options.
OVO	Increase costs for existing SMDA members	7	
	Redesign the current funding model	4	
	The SMDA Scheme is funded through the SEC	1	

Question 6			
Respondent	Category	Response	Rationale
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	
	SMDA Co becomes a contracted service provider to DCC	5	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	6	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	8	Only if mandated
	The SMDA Scheme is mandated via BEIS	2	
	No change to current funding model	9	
			We believe SMDA should remain independent of DCC as far as possible, as we believe DCC should be submitting its Comms Hubs to the scheme for the independent testing of each release. SEC is the clear choice for a mechanism to fairly distribute the fixed costs of the scheme. We would support the scheme being mandated by BEIS regardless of the funding model.

Question 6			
Respondent	Category	Response	Rationale
			<p>We see no economic benefit of DCC creating a new scheme to replace SMDA. The cost of setting up the scheme and defining (with industry participation) the test scenarios, scripts, and hardware would be high, and without industry agreement the testing could not replicate that performed by the SMDA scheme. If DCC were to operate such a scheme, mandating would be necessary to ensure cross-industry take-up.</p> <p>Industry agreement and independence are key to fulfilling the stated role of assuring the interoperability of devices. We also believe DCC should submit its Comms Hubs to an independent test regime, and if DCC were to create its own scheme, the independence would not be available.</p>
Scottish and Southern Electricity Networks	Increase costs for existing SMDA members	8	
	Redesign the current funding model	2	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	4	
	SMDA Co becomes a contracted service provider to DCC	3	

Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	7	
	The SMDA Scheme is mandated via BEIS	6	
	No change to current funding model	9	
			SSEN believe that the most appropriate place for the SMDA to be funded is through the SEC, although governance needs to be considered and managed appropriately to ensure meter testing is mandated within the SEC to ensure that it adequately covers the testing required to validate all production devices.
Utility Warehouse	Increase costs for existing SMDA members	9	
	Redesign the current funding model	6	
	The SMDA Scheme is funded through the SEC	1	

Question 6			
Respondent	Category	Response	Rationale
	DCC collects the charges as pass-through, similar to Alt HAN funding	3	
	SMDA Co becomes a contracted service provider to DCC	4	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	7	
	The SMDA Scheme is mandated via BEIS	2	
	No change to current funding model	8	
			<p>On the basis that costs would be apportioned fairly across all industry beneficiaries, and scheme independence maintained, our strong preference is option 3 – “The SMDA Scheme is funded through the SEC”.</p> <p>Further, as described in the consultation document, there is precedent in the SEC of fair charging methodologies being applied, and this option would provide a level of independent</p>

Question 6			
Respondent	Category	Response	Rationale
			<p>scrutiny of costs, both through the proposed board membership and SEC party rights in relation to the overall SEC budget.</p> <p>We believe any option that does not change the existing membership structure is unsustainable, places the scheme at risk due to underfunding and should therefore be disregarded.</p> <p>We also do not support option 2, which would result in unnecessary time and effort spent designing a new model when a fair and proven option is already on the table.</p> <p>We are against the notion of the scheme either being contracted to, or subsumed into, DCC. We believe the scheme will be most effective where it retains independence.</p>
Centrica	Increase costs for existing SMDA members	9	We do not see this as a viable option. Existing members and participating manufacturers are currently subsidising the scheme for the industry and that is not a sustainable arrangement. An increase in costs for existing members is likely to reduce membership and bring an end to the SMDA scheme
	Redesign the current funding model	9	We do not see this as a viable option. It is very unlikely, without clear regulatory obligations or commercial incentives, that all suppliers would voluntarily join the SMDA scheme. Without full supplier membership the charging arrangements will remain inequitable. An alternative would be to remove suppliers from the equation and allow other organisations to fully fund the scheme – we cannot see this being acceptable to those parties either.
	The SMDA Scheme is funded through the SEC	1	<p>Short term / long term.</p> <p>This is a viable option and would allow all suppliers to be part of the funding model on an equitable basis. It would also allow test fees to reduce as fixed costs would not have to be allocated to testing participants. Our only concern with this option is how this would work from a governance perspective. For example, this could vary from giving SMDA Co Ltd the ability to recharge via the SEC or to a more contractual service arrangement where the</p>

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Question 6			
Respondent	Category	Response	Rationale
			SMDA Scheme is fulfilling a service, potentially to the Panel or SECAS, as a service provider. We would welcome further discussions on these possible arrangements and what the governance structures may look like.
	DCC collects the charges as pass-through, similar to Alt HAN funding	1	<p>Short term / long term</p> <p>This is a viable option and is similar to Option 3. It presents the same challenges though, the relationship between the DCC and the SMDA Scheme would need to be clearly defined along with any necessary governance structures. The Alt HAN Co arrangements do differ slightly as there are Code provisions covering the Alt HAN requirement and are based on the fulfilment of supplier licence obligations. As with Option 3, we would further discussions on possible arrangements.</p>
	SMDA Co becomes a contracted service provider to DCC	2	<p>Short term / long term</p> <p>This is a viable option, and could be similar to options 3 & 4, depending on the governance arrangements. For example, DCC would need a purpose for contracting with SMDA Co, this could be a purely commercial venture that DCC could claim as a valid external cost under their price control arrangements. However, it is not required under their licence or mandated through the SEC so, without wider changes, this is an unlikely option. To make this viable it could be possible, as an example, to compel DCC to procure such a service, via the SEC or the DCC licence, in a similar way to other mandatory business activities, and recharge via DCC charges (and charge testing participants directly for variable costs). This change in arrangements may be suitable as a shorter-term option, if such changes can be made, or designed to be a longer-term option if, say, option 3 was taken forward initially.</p>
	The SMDA Scheme becomes subsumed into, and operated by, DCC	3	<p>Longer term option</p> <p>This is similar to Option 5 but, rather than be a contracted service, it would be performed by the DCC themselves. With the DCC model being more of a procurement and contract</p>

Question 6			
Respondent	Category	Response	Rationale
			management layer, this is not our preferred option. However, we believe it should be considered further along with Option 3 – 5 and 7.
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	1	<p>Longer term option</p> <p>This is similar to Options 5 & 6 but is based upon the closure of the SMDA scheme and creation of a new scheme. We do not see this as a shorter-term solution as it would have the longest lead times of all options and we would not want the existing SMDA arrangements to continue for longer than necessary. We therefore believe it may be a viable option to be considered if, say, Option 3 was taken forward initially. As with Options 5 & 6, this option could be delivered in different ways, for example, a requirement for DCC to procure such a service or to provide themselves. We therefore believe this option should be considered along with Options 3 - 6.</p>
	The SMDA Scheme is mandated via BEIS	9	<p>We are not supportive of this option as there have been previous discussions on the need for regulatory intervention and, as testing services are competitive and based on commercial arrangements, such a scheme is not something that Government are likely to agree to mandate. However, the industry response, or lack of, to this testing requirement has shown that it is not feasible, or desirable, for equivalent schemes to SMDA to be operating in the market. This therefore provides a degree of justification for industry participants, via industry governance, to propose that the SMDA scheme (or equivalent) is a centrally procured or provided service that is equitably funded. On this basis, Options 3 – 7 present potential solutions and Option 8 can be discounted.</p>
	No change to current funding model	9	<p>We do not see this as a viable option. As with Option 1, existing members and participating manufacturers are currently subsidising the scheme for the industry and that is not a sustainable arrangement. Doing ‘nothing’ is likely to discourage, or prompt a decrease, in membership and risk bringing an end to the SMDA scheme.</p>

Question 6			
Respondent	Category	Response	Rationale
			<p>When considering the ranking of the options we have done so with reference to the ability of each option to deliver some principles that we believe should be achieved and whether options could be delivered in the short term or longer term (or suitable for both). The principles that we believe are important are:</p> <ul style="list-style-type: none"> • Equitable funding arrangement – ensuring that all suppliers pay their fair share of scheme costs; • Inclusion of DCC Communication Hubs – The SMDA scheme (or equivalent) should include all smart metering devices as well as DCC Communication Hubs; • Suitable mandate for testing – The SMDA scheme is not mandated, and may not need to be, however, device assurance should form part of the process for devices / firmware being eligible to be on the Certified Products List (CPL). This could be done in different ways depending on the option adopted for future governance; • A continuation of service – The SMDA Scheme has come a long way and needs to continue whilst / if any future arrangements are put in place; and • Appropriate governance / representation – The SMDA membership is important to the development of the testing regime and those existing parties should remain part of any future governance structure.
UK Power Networks	Increase costs for existing SMDA members	8	
	Redesign the current funding model	2	
	The SMDA Scheme is funded through the SEC	1	

Question 6			
Respondent	Category	Response	Rationale
	DCC collects the charges as pass-through, similar to Alt HAN funding	4	
	SMDA Co becomes a contracted service provider to DCC	3	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	5	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	7	
	The SMDA Scheme is mandated via BEIS	6	
	No change to current funding model	9	
			The SEC would be the correct mechanism for the SMDA to be funded, although governance needs to be considered and managed appropriately. The DCC managing or subsuming the SMDA is not our preference as we already face challenges with working with DCC. We would not welcome the DCC becoming overburdened with additional responsibilities. We believe meter testing should be mandated by SEC to ensure it adds value for all SEC parties.

Question 6			
Respondent	Category	Response	Rationale
Landis+Gyr	Increase costs for existing SMDA members	9	
	Redesign the current funding model	7	
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding	6	
	SMDA Co becomes a contracted service provider to DCC	5	
	The SMDA Scheme becomes subsumed into, and operated by, DCC	3	
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC	4	
	The SMDA Scheme is mandated via BEIS	2	

Question 6			
Respondent	Category	Response	Rationale
	No change to current funding model	8	
			Our preferred option is option 3, with option 8 coming second. The value of option 8 is to minimise unnecessary testing by suppliers when a new manufacturer/device is introduced. Option 6 would allow DCC to use some of the facilities at their own test lab. We do have some concerns about DCC objectivity with respect to device liability. This should be balanced against the potential cost savings achieved by using this option. Options 1 and 9 do not seem sustainable so we do not support these.
ScottishPower Energy Retail Ltd	Increase costs for existing SMDA members		
	Redesign the current funding model		
	The SMDA Scheme is funded through the SEC	1	
	DCC collects the charges as pass-through, similar to Alt HAN funding		
	SMDA Co becomes a contracted service provider to DCC		
	The SMDA Scheme becomes subsumed into, and operated by, DCC		

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Question 6			
Respondent	Category	Response	Rationale
	The SMDA Scheme is replaced with a new assurance mechanism provided through the DCC		
	The SMDA Scheme is mandated via BEIS		
	No change to current funding model		
			<p>While all options have some merit, we are of the view that there are almost as many <i>cons</i> as <i>pros</i> with each. Moreover, in the teeth of a mandate, we fear there might always be a risk that the scope of the arrangements increases to a point where they become almost cost prohibitive; perhaps introducing extraneous commercial considerations into a process that should really be about the common good.</p> <p>For these reasons, we have preferred option 3. However, there will need to be a clear obligation on both the SMDA Board and SEC Panel to undertake consultation with stakeholders before any material cost increases can take effect.</p>

Question 7: Are there any other funding options that you think should be considered?

Question 7		
Respondent	Response	Rationale
Calvin Asset Management Ltd		Only other workable option is via the DCC, but this option lacks the necessary independence that is essential to the assurance scheme.
Chameleon Technology	N/A	N/A
Octopus Energy	No	
George Wilson Industries Ltd	N/A	
NMI Certin		The options presented in this consultation are sufficient
Honeywell	None	
Western Power Distribution	No	
Drax Group	Not at this stage	
DCC	No comment	
CMAF	No	
EDF		In addition to the proposed funding options, an obligation on DCC to pay for an independent service such as SMDA testing of Communications Hubs should be considered. This approach would help achieve a stable baseline and hopefully fewer firmware changes, driving down wider industry testing costs.

Question 7		
Respondent	Response	Rationale
Critical Software Technologies Limited	No	
E.ON	No	
Horizon Energy Infrastructure	None	9 is already a lot of options. There are issues already in the live environment that could have been picked up with SMDA testing so doing nothing doesn't feel like an option. There is no reason that DCC could not become the test house for the SMDA scheme if independence can be maintained and there is industry oversight.
SMS		If funding through SEC is limited in line with the roll out (end of 2024) we support, it. For the Scheme to be funded post roll out – is needs to have the scope and scale of SMDA re-assessed.
Electricity North West Limited		We are not aware of any further options other than those identified in this consultation.
EUA		None
ENA	No	
OVO		We do not have any other proposals for a funding model.
Scottish and Southern Electricity Networks	No	
Utility Warehouse		We do not think any other options should be considered.
Centrica	No	We have not identified any other credible funding option
UK Power Networks	No	
Landis+Gyr	No	

Question 7		
Respondent	Response	Rationale
ScottishPower Energy Retail Ltd	No	

Question 8: To what extent do you agree that SMDA fixed costs should be covered under the SEC?

Question 8		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Strongly agree	Inclusion of the on-going fixed costs of the scheme will ensure that all suppliers will contribute to the scheme and will also reduce the testing costs to a realistic level that is acceptable to device manufacturers.
Chameleon Technology	Agree	It should always have been under the SEC. This will ensure that the scheme actually delivers against its purpose.
Octopus Energy	Agree	SEC is the right place to determine scope vs costs of SMDA
George Wilson Industries Ltd	Strongly agree	
NMI Certin	Strongly agree	Confidential – not for disclosure beyond the groups noted in the cover note.
Honeywell	Strongly Agree	This proposal spreads the costs fairly and evenly across industry stakeholders for the benefit of whole of the industry. It also encourages Meter Manufacturers to submit devices into the Scheme. It also helps support smaller suppliers that may not have the resources to validate and assure interoperability for devices they are installing.
Western Power Distribution	Agree	Although we feel that this is appropriate we would like to reiterate that we do not believe that Network Operators should incur any costs.
Drax Group	Disagree	We haven't seen evidence that the SMDA Scheme benefits the whole GB market (as stated in this consultation), so do not agree with fixed costs being covered through the SEC.
DCC	Neither agree nor disagree	No comment

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Question 8		
Respondent	Response	Rationale
CMAF	Agree	Consistent with the principle of appropriate and equitable allocation of costs within the supply chain
EDF	Strongly agree	As mentioned previously, the SEC could provide governance that is independent of other parties that may have an interest.
Critical Software Technologies Limited	Neither agree nor disagree	
E.ON	Strongly agree	This should ensure the longevity of the scheme and ensure a fair contribution from all members is sought. This also reduces some administration within our finance teams.
Horizon Energy Infrastructure	Strongly agree	This would cover the costs of running the scheme and ensure that the test lab is maintained. This could in turn reduce fees for manufacturers which is seen as one of the obstacles to submitting a device.
SMS	Disagree	The scope of SMDA as it is, is not suitable value across all SEC Parties
Electricity North West Limited	Agree	The current format of the SMDA Scheme doesn't mandate all Energy Suppliers to join, subsequently those Energy Suppliers that do not join are benefiting from the test assurance work that's being carried out, without having to provide any funding. Where the costs to be covered under the SEC, there should then be a fair split of the costs across Energy Supplier's, similar to the Alt HAN funding arrangements.
EUA	Strongly agree	<p>This mechanism spreads the costs fairly across the industry in order to maintain and develop a sustainable independent assurance mechanism for the benefit of whole of the industry. It will promote Meter Manufacturers to submit devices more freely.</p> <p>It will support the smaller supplier community who may not have the resources to validate and assure interoperability (even though it is a licence requirement) for devices they are procuring and installing. It provides assurance for larger suppliers against interoperability on devices they acquire via CoS are not directly procuring and/or testing as part of their roll out programme. This scheme also provides assurance for all suppliers against interchangeability of devices.</p>

Question 8		
Respondent	Response	Rationale
ENA	Agree	Our members support the cover of fixed costs under the SEC, but do they not consider that they should incur any costs for a function that is an obligation for suppliers; and the allocation of SEC costs should be such that fixed SMDA costs are not carried by Network Operator parties.
OVO	Strongly agree	<p>We strongly believe the scheme's fixed costs should be covered under SEC and spread equitably across industry. It is fair that ongoing costs of hardware, test lab and maintenance of the scripts forms an essential part of the scheme which do not vary per device submitted. This would also lower the cost to manufacturer of each test, and we believe this would encourage smaller manufacturers to submit devices to the scheme, which would bring with it benefits across the industry as more devices are assured, and more defects uncovered before the devices are installed in consumers' homes.</p> <p>There is another benefit from this approach, inasmuch as the Suppliers who are currently not SMDA members, but who have a clause in their device contracts demanding SMDA assurance, will start contributing to the scheme from which they are clearly benefiting. This is fair and equitable.</p>
Scottish and Southern Electricity Networks	Agree	SSEN support the cover of fixed costs under the SEC, however as commented in question 5, SSEN believe costs incurred should be zero on the understanding that this is an obligation for suppliers and not Network Parties.
Utility Warehouse	Strongly agree	We agree that fixed costs should be covered under the SEC, and apportioned fairly across all beneficiaries of the scheme.
Centrica	Strongly agree	Funding fixed costs via the SEC would ensure that all supplier [and network] parties are paying their contribution to a scheme that they benefit from. The current arrangements are inequitable and not sustainable.
UK Power Networks	Agree	We support the covering of fixed costs under the SEC but also believe that ENOs should not incur any costs for Suppliers obligations

Question 8		
Respondent	Response	Rationale
Landis+Gyr	Strongly agree	The fixed costs should be shared between the parties that benefit from the testing. SMDA is an important tool that should allow suppliers to install combinations of devices that are known to work. Device manufacturers will be more likely to submit for testing if they are only paying for the actual cost of testing.
ScottishPower Energy Retail Ltd	Agree	This should ensure the survivability of the scheme in the event insufficient Devices were submitted.

Question 9: To what extent do you agree that SMDA variable costs should NOT be covered under the SEC?

Question 9		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Agree	The variable costs relate to the actual testing of devices. Payment of these costs by manufacturers when a device is submitted for testing will incentive manufacturers to ensure that devices are only submitted for testing with the expectation of receiving assurance and the scheme is not used by manufacturers as a free service to aid them in their own device development and testing processes.
Chameleon Technology	Agree	Agreed on the basis that the change in the Scheme's organisation and governance successfully induces a viable level of "traffic" for devices under test. This should then allow the scheme to offer the variable charges at commercially reasonable (and comparable) rates. Manufacturers are well versed in understanding fair costs for third party testing, assurance and certification requirements for their products.
Octopus Energy	Strongly agree	There must be an incentive on device manufacturers to make this an efficient part of their delivery process.
George Wilson Industries Ltd	Disagree	Confidential – not for disclosure beyond the groups noted in the cover note.
NMI Certin	Agree – but only when there is sufficient SMDA submissions to meet the cost threshold to provide and maintain Test House capability	<p>Manufacturers should reasonably be expected to pay variable costs that are employed to operate and administer the SMDA testing requirements for devices they submit. This will ensure manufacturers are treated on an equitable cost recovery basis and also incentivised to only submit devices of a sufficient quality to meet SMDA testing requirements.</p> <p>Confidential – not for disclosure beyond the groups noted in the cover note.</p>

Question 9		
Respondent	Response	Rationale
	(see response to Question 8)	
Honeywell	Agree	This puts the scheme on a similar standing to other approval processes, whereby testing is paid for as and when it is completed. This expected reduction of “test” costs will encourage Manufacturers to put forward devices for test.
Western Power Distribution	Strongly agree	Requiring manufacturers to be responsible for the costs of assessing their devices should help to incentivise submission of compliant devices. SEC parties who are not responsible for devices should not incur any of these costs.
Drax Group	Strongly agree	Manufacturers submitting their devices into the SMDA Scheme are able to use the assurance provided by testing to market their products. SMDA variable costs should not be borne by those not benefiting.
DCC	Neither agree nor disagree	No comment
CMAP	Agree	Consistent with the principle of appropriate and equitable allocation of costs within the supply chain
EDF	Strongly agree	The scheme has already had substantial funding of fixed costs provided by some energy suppliers, with some additional variable testing funds provided by MAPs to test manufacturers’ devices. Manufacturers know at product design stages that they will need to pay various bodies for testing products they intend to sell for a commercial profit. This is the case with MID, CPA, ZigBee and DLMS etc. Manufacturers factor these costs into their commercial offerings, which leads to a natural balance of the market i.e. those that buy the products, will automatically pay a share of the tests funding in their unit costs. SMDA has been around for several years and we along with other SMDA energy supplier members have confirmed that SMDA is a requirement in our procurement contracts; therefore manufacturers should already have SMDA costs factored into their offerings.

Question 9		
Respondent	Response	Rationale
Critical Software Technologies Limited	Neither agree nor disagree	
E.ON	Agree	As a number of manufacturers are not SEC party members, this is a fair way to ensure contribution from manufacturers. It should be noted that there needs to be a mechanism to ensure a manufacturer who is a SEC party member does not 'pay twice' for the scheme.
Horizon Energy Infrastructure	Agree	<p>Device Manufacturers should submit their devices for testing as should DCC but they should be at a level of quality – paying for a service will help to ensure the quality. Also, manufacturers don't contribute to DCC running costs.</p> <p>There is another view that the variable costs should be included under the SEC which would then encourage device manufacturers including DCC to submit devices in a timely manner but to ensure quality they could be charged for defect retesting.</p>
SMS	Agree	The scope of SMDA as it is, is not suitable value across all SEC Parties
Electricity North West Limited	Agree	It doesn't seem reasonable for industry beneficiaries (ie Energy Suppliers) to fund the variable costs, so wouldn't be appropriate for these costs to be covered by the SEC, but it is important to ensure that such costs are not a barrier to manufacturers putting forward their meter devices for testing.
EUA	Agree	Device Manufacturers accept that they need to bear the cost of the actual testing of devices. Also as outlined above, this approach provides fairness across the industry and with that it will allow Meter Manufacturers to submit devices more freely to the scheme, therefore the scheme will flourish and provide key stakeholders in the industry confidence in devices and more devices option.
ENA	Strongly agree	As SEC parties who have no accountability to ensure compliant meters, DNOs do not consider that they should bear the variable costs to test devices. Requiring a device manufacturer to be responsible for the costs of assessing their device will incentivise the manufacture to submit compliant devices to SMDA.

Question 9		
Respondent	Response	Rationale
OVO	Strongly agree	We believe that SMDA variable costs should form part of the test fee paid by a device's manufacturer, and believe that this is fair as manufacturers with a larger range of devices, or indeed with a higher number of firmware fix releases, pay a similarly larger fee for the testing.
Scottish and Southern Electricity Networks	Strongly agree	Due to rationale already provided, SSEN believe that we should not incur any of the variable costs required to test devices.
Utility Warehouse	Strongly agree	Confidential – not for disclosure beyond the groups noted in the cover note.
Centrica	Neither agree nor disagree	We believe variable costs (or the majority of them) should be charged back to the party that creates them (e.g. manufacturers through device submission). This does not mean that the variable costs could not be covered by the SEC, they would simply be explicit charges for a single Party rather than centralised SECAS costs that are recovered via DCC charges.
UK Power Networks	Strongly agree	As a SEC party member with no accountability to ensure compliant meters, we do not feel that we should bear the variable costs to test devices.
Landis+Gyr	Agree	Device manufacturers should bear the cost of testing, since the scope of the testing is driven by their activities. It is important that the costs are split in a way that is acceptable to all parties. Testing costs should be set at a level to encourage manufacturers to submit devices.
ScottishPower Energy Retail Ltd	Agree	In our view it is right that the manufacturers should pay to have their Devices tested. While we note that this approach has served to delay the submission of Devices in the past, as the costs of retesting acted as a disincentive to moving early, we have been unable to identify a suitable alternative.

Question 10: Which SEC Parties do you think should pay for the SMDA Scheme?

Question 10			
Respondent	Category	Response	Rationale
Calvin Asset Management Ltd	Suppliers	Yes	Suppliers are the one party with a licence obligation to ensure that the devices they install, or gain through customer churn, are inter-operable and inter-changeable. Thus, the charges should be paid by supplier parties only.
	Network Parties	No	
	Other SEC Parties	No	
Chameleon Technology	Suppliers	Yes	All suppliers have the obligation for which SMDA is intended to help them evidence their compliance. Device manufacturers can be Other SEC Parties, but do not necessarily have to accede to the SEC; however, they would pick up their own variable costs for their device assurance, so this seems equitable given they have a competitive landscape to consider. It seems that this then becomes an effective market model.
	Network Parties	No	
	Other SEC Parties	No	
Octopus Energy	Suppliers	Yes	All parties benefit from this service.
	Network Parties	Yes	
	Other SEC Parties	Yes	

Question 10			
Respondent	Category	Response	Rationale
George Wilson Industries Ltd	Suppliers	Yes	Confidential – not for disclosure beyond the groups noted in the cover note.
	Network Parties	Yes	
	Other SEC Parties	Yes	
NMI Certin	Suppliers	Yes	<p>All energy suppliers (and the MAP/funders of devices) are the principle beneficiaries of the SMDA Scheme. As noted earlier in this response NMI views it important that all energy suppliers are required to fund the Scheme. On the basis that NAO and BEIS support the need to assure interchangeability an equitable cost recovery mechanism is essential to ensure costs and benefits are shared on an equitable basis and that any potential free loading is eliminated.</p> <p>It should be noted that DNO derived service requests are subject to SMDA testing and assurance. DNOs also continue to provide metering emergency services. This demonstrates some value from SMDA to DNOs. It is therefore suggested that DNOs pay a proportionate amount towards the SMDA Scheme to derive those benefits – noting that this should be at a lower level to energy suppliers.</p> <p>There appears to be no case for other SEC parties (DCC) to pay for current SMDA services. This would clearly change if communication hub testing proposals are implemented. DCC should then pay a proportionate amount – although this argument may be circular as DCC derives its income from SEC parties.</p>
	Network Parties	Yes	
	Other SEC Parties	No	

Question 10			
Respondent	Category	Response	Rationale
Honeywell	Suppliers	Yes	All Stakeholders gain from interoperable and Interchangeable devices in the field.
	Network Parties	Yes	
	Other SEC Parties	Yes	
Western Power Distribution	Suppliers	Yes	We believe that those responsible for ensuring devices are compliant should pay for the scheme. Meter Manufacturers and Suppliers have an obligation to provide compliant devices and therefore they should be paying for the required testing and assurance. We do not believe that any costs associated with meeting these obligations should be socialised with parties that are not responsible, such as Network Operators.
	Network Parties	No	
	Other SEC Parties	Potentially depending on the Party.	
Drax Group	Suppliers	Yes	If SMDA fixed costs are to be funded through the SEC, then we believe all SEC parties should be liable for the charges. Without a clear benefits case across parties, this is the fairest approach.
	Network Parties	Yes	
	Other SEC Parties	Yes	
DCC			No comment on which SEC Parties should pay for the scheme.

Question 10			
Respondent	Category	Response	Rationale
			However, it is important to consider that DCC Fixed Charges are levied on SEC Charging Groups 1-5, so does not include 'Other SEC Parties', and that costs are apportioned through the SEC charging weighting factors which are set during the rollout phases.
CMAF	Suppliers	Yes	For fixed costs only.
	Network Parties	No	
	Other SEC Parties	No	
EDF	Suppliers	Yes	All parties that benefit from SMDA device assurance should be paying for that benefit. Network parties potentially rely on devices to function for their needs. Other SEC parties rely on data outputs from the devices.
	Network Parties	Yes	
	Other SEC Parties	Yes	
Critical Software Technologies Limited	Suppliers	Yes	
	Network Parties	Yes	
	Other SEC Parties	No	
E.ON	Suppliers	Yes	
	Network Parties	Yes	
	Other SEC Parties	Yes	For other SEC Parties: All those parties that receive some form of benefit of the scheme should be required to contribute (i.e. MAPs). We would expect to see further consideration

Question 10			
Respondent	Category	Response	Rationale
			to the appropriate proportion chagrining mechanism between the different SEC parties (Supplier / MAP / MOP / MAM etc.).
Horizon Energy Infrastructure	Suppliers	Yes	All parties benefit from devices and comms hubs being tested.
	Network Parties	Yes	
	Other SEC Parties	Yes	
SMS	Suppliers	Not all	
	Network Parties	No	
	Other SEC Parties	Yes	The commercial liability of changes regressing, solely sits with the MAP's if an issue is caused, resulting in a site visit, or meter removal. Majority of MAP's list SMDA as a certification requirement in their MAP contracts, so see any benefits automatically. Those Engaged Suppliers, SMDA Members have the ability to cause change and cost to the scheme – so should be supporting the cost.
Electricity North West Limited	Suppliers	Yes	As Energy Suppliers have Licence obligations for the purchasing and installation of compliant meter Devices they should be the SEC Parties to fund the SMDA Scheme. Electricity Network parties should not pay any costs for the SMDA Scheme.
	Network Parties	No	
	Other SEC Parties	No	
EUA	Suppliers	Yes	

Question 10			
Respondent	Category	Response	Rationale
	Network Parties	Yes	
	Other SEC Parties		Device Manufacturers (Other SEC Parties) will pay the variable costs for testing of actual device to gain assurance.
ENA	Suppliers	Yes	
	Network Parties	No	
	Other SEC Parties	Depends on the party	DNOs consider that the fixed costs of delivering meter device assurance should fall on Suppliers (and device manufacturers for variable costs) as they are the SEC Party that has the obligation to procure and install compliant meters. Our members do not consider it appropriate that any costs, associated with meeting Supplier SEC obligations, are socialised amongst Network Party customers.
OVO	Suppliers	Yes	These are the main beneficiaries of the scheme.
	Network Parties	Yes	
	Other SEC Parties	No	
Scottish and Southern Electricity Networks	Suppliers	Yes	SSEN consider that the cost of delivering meter device assurance should fall on Suppliers and potentially other parties, only if the party provides devices to customers. These SEC Parties have the obligation to procure and install compliant devices. SSEN do not consider it appropriate that any costs, associated with meeting Supplier SEC obligations, are socialised amongst Network Parties.
	Network Parties	No	

Question 10			
Respondent	Category	Response	Rationale
	Other SEC Parties	Yes	
Utility Warehouse	Suppliers	Yes	The SMDA scheme benefits the majority of the market, including Parties in each of the groups listed. We think that the funding model should cover all beneficiaries, with costs recovered via the SEC.
	Network Parties	Yes	
	Other SEC Parties	Yes	
Centrica	Suppliers	Yes	<p>For fixed scheme costs – Suppliers and Network Parties are obligated to be SEC Parties, and this therefore creates an equitable solution for all. Suppliers and Network parties are also the direct beneficiaries of smart device functionality and therefore should fund the fixed cost elements of the scheme. A starting point would be for this to be in the same proportions as DCC Fixed Costs are currently charged.</p> <p>Variable costs – These should be included in test fees chargeable to the party that is submitting devices for testing (usually the manufacturer). This helps to ensure that manufacturers are only submitting devices when ready to do so (e.g. cost incentive) and those costs are capable of then being built into the device costs that are charged at point of sale.</p>
	Network Parties	Yes	
	Other SEC Parties	No	
UK Power Networks	Suppliers	Yes	Suppliers and Meter Manufacturers have SEC obligations to ensure compliant meters. The current state of the SMDA Scheme only materially benefits suppliers, therefore, we do not believe ENOs should incur any costs for a scheme that delivers them no benefit. Should the scheme be updated to include the tests, and areas identified by ENOs as problematic, it may then be appropriate to revisit the discussion on which parties pay for the SMDA
	Network Parties	No	
	Other SEC Parties	Depends	

Question 10			
Respondent	Category	Response	Rationale
			Scheme. ENOs have shared with the SMDA a test scenarios document that would give us assurance on EMSEs being compliant and meeting ENO requirement.
Landis+Gyr	Suppliers	Yes	
	Network Parties	Yes	
	Other SEC Parties	No	Device manufacturers (Other SEC Party) are paying the variable costs. The benefit to each party should be reflected in the cost to that party.
ScottishPower Energy Retail Ltd	Suppliers	Yes	The benefits of having such a scheme ultimately accrue to all market participants. We therefore, believe that these relatively minor (once shared) costs should apply to all.
	Network Parties	Yes	
	Other SEC Parties	Yes	

Question 11: To what extent do you agree that, if the SMDA Scheme is to be funded by SEC Parties, that the SEC Panel should be involved in the SMDA governance process?

Question 11		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Agree	SEC Panel involvement would provide supplier parties with assurance that the SMDA scheme was being operated by SMDA Co in an appropriate manner and that costs were being managed by SMDA Co to provide value for money for supplier parties.
Chameleon Technology	Strongly agree	Governance of SMDA under the auspices of the SEC Panel is essential for consistency, fairness and transparency.
Octopus Energy	Agree	This should be for a transitional phase only until final structure, scheme costs (to avoid excess administration costs) can be established.
George Wilson Industries Ltd	Agree	
NMI Certin	Agree	The SEC Panel should take some responsibility to ensure funding is in compliance with SEC Objectives and normal financial scrutiny. It is suggested that similar requirements that exist for Alt HAN Co funding be considered for SMDA Scheme purposes. This may include assurance that accounts are independently scrutinised and that the Authority has powers to seek reports and oversee arrangements.
Honeywell	Agree	This will provide the SEC Panel with some level of control over costs and test processes to ensure they are kept under control
Western Power Distribution	Strongly agree	We believe that if the scheme is to be funded by SEC Parties that the SEC Panel should be involved.

Question 11		
Respondent	Response	Rationale
Drax Group	Agree	If the scheme is to be funded by SEC parties, we would like to see SEC Panel representation in SMDA governance to increase visibility of the Scheme. SEC Panel involvement should also allow independent scrutiny and the option to change the Scheme provider if performance is an issue.
DCC	Agree	In order to include these costs within the annual SECCo Budget (Option 3), under the existing scope of DCC's cost recovery through the Fixed Charge, SEC Panel would be involved in the review and approval of that budget. DCC has no comment on the involvement of SEC Panel beyond this existing role with regards to Option 3 only, the proposer's preferred option. If an alternative option is preferred, DCC will provide a new response specific to that option.
CMAP	Neither agree nor disagree	The reason for the response is to agree with representation into existing SMDA governance but not ownership of the governance through SEC governance.
EDF	Strongly agree	<p>We would be prepared to look at further options such as independent workgroups to ensure that SMDA provides the correct level of technical delivery and value for money. SMDA already has such workgroups within its existing framework, for example a Management Panel that makes scheme operating decisions often based on the SMDA Technical workgroup output. These workgroups are currently open to representation from the SMDA membership and invited third parties. We believe this approach works, however If said funding was in place the structure of these groups and where they sit could be reviewed.</p> <p>In addition we would be open to discussions around the SEC Panel having further agreed powers (subject to SMDA Co. current service provider contracts) to award the SMDA function to another party if SMDA is not deemed to be delivering. Hence the original requirement for an interchangeability test regime should be in place with a mechanism to ensure industry choice and efficiency.</p>
Critical Software Technologies Limited	Agree	

Question 11		
Respondent	Response	Rationale
E.ON	Strongly agree	As a large stakeholder within the funding mechanism, it would seem logical that the SEC Panel is involved with the SMDA governance process.
Horizon Energy Infrastructure	Agree	This would give SEC Panel and hence the industry reassurance that SMDA is providing value for money.
SMS	Agree	
Electricity North West Limited	Agree	Our preference is for Option 4 'DCC collects the charges as pass-through, similar to Alt HAN funding', which still provides oversight for the SEC Panel in respect of any proposed changes where there is the potential for increased costs. However, should the SMDA Scheme be funded by SEC Parties there should be SEC Panel representation in the SMDA governance process, with Electricity Network Parties not incurring any additional costs. Our understanding is that the current governance process covering the SMDA Scheme works well and isn't in question, but BEIS identified that the funding model needed to be reviewed.
EUA	Strongly agree	This will provide the SEC Panel with governance for the Scheme to ensure the costs and associated running of the scheme are as efficient as possible.
ENA	Strongly agree	If SMDA is to be funded by SEC parties, there should be SMDA Board representation on the SEC Panel.
OVO	Strongly agree	We believe it is essential to bring SEC Panel into SMDA governance under the proposed approach, as Panel will require some control over budgets and future directions for the scheme.
Scottish and Southern Electricity Networks	Strongly agree	If SMDA is to be funded by SEC parties, there should be board representation for the SEC Panel.
Utility Warehouse	Agree	We agree that should the scheme be funded by SEC parties, that it would be appropriate for the SEC panel to have greater visibility and input into the governance process, on the basis the current governance structure is retained and continues to be able to operate effectively. As the SMDA board is already comprised of Parties

Question 11		
Respondent	Response	Rationale
		with a stake in the success of the scheme, we view the preferred approach of SEC panel board representation as a proportionate measure.
Centrica	Agree	<p>For SEC parties, and mostly likely suppliers and network operators, to be funding the scheme, it is right and proper that those parties have the ability to be in some way in control of those costs. This could be a 'light touch' approach with, as suggested, SEC representation at the SMDA Board or Management Panel or it may be a more integrated model that sees the SMDA governance sitting within overall SEC governance.</p> <p>We are open to further discussions on this aspect of the change. We agree that the important feature here is that the existing governance structure has worked well more recently, and we would not want to lose the benefits that this presents.</p>
UK Power Networks	Strongly agree	If SMDA is to be funded by SEC parties, then there should be Board representation on the SEC Panel.
Landis+Gyr	Strongly agree	If the SEC are providing funding then they should get involvement in the governance process
ScottishPower Energy Retail Ltd	Strongly agree	As mentioned above, it also important to attach obligations to both the SEC Panel and the SMDA Co. board to ensure stakeholders are consulted before any material cost increases are levied.

Question 12: To what extent do you agree with the proposed governance approach, outlined above, of having a SEC Panel representative on the SMDA Board?

Question 12		
Respondent	Response	Rationale
Calvin Asset Management Ltd	Agree	
Chameleon Technology	Strongly agree	This seems to be a sensible demonstration of robust governance.
Octopus Energy	Agree	Appropriate part of transition to final structure.
George Wilson Industries Ltd	Agree	
NMI Certin	Neither agree nor disagree	As noted above the SEC Panel should have formal powers to oversee SMDA Scheme operation. This should be sufficient without the need to be an active representative on the SMDA Board. It should also be considered whether a SEC Panel representative could potentially raise conflicts of interest challenges to the SEC Panel if issues were to arise. Considering the potential to impact impartiality of the SEC Panel should be a factor in this decision.
Honeywell	Agree	This will provide the SEC Panel with some level of control over costs and test processes to ensure they are kept under control
Western Power Distribution	Strongly agree	We strongly agree with having a SEC Panel member on the SMDA Board, especially as Network Operators do not currently have any board representation.
Drax Group	Agree	The proposed approach seems to offer a sensible balance.

Question 12		
Respondent	Response	Rationale
DCC	Neither agree nor disagree	No comment
CMAP	Agree	Appropriate level of governance input.
EDF	Strongly agree	SMDA was voluntarily set up to cover a known gap. We understand that SMDA Co. is an independent 'not for profit' but nonetheless commercial entity in its own right. We believe that there needs to be scrutiny to ensure that no single organisation and its sub-contractors have a regulatory backed monopoly. With this in mind we would welcome a nominated SEC Panel member to sit on the SMDA Co. Board and are open to further discussions on governance.
Critical Software Technologies Limited	Agree	
E.ON	Strongly agree	This would allow for a singly entity of representation for SEC parties that currently may not currently have an avenue to bring queries or concerns to the SMDA board.
Horizon Energy Infrastructure	Neither agree nor disagree	If it was thought appropriate for a SEC Panel representative to be on the SMDA Board then it should be clearly defined what their role is and the voting rights.
SMS	Agree	Will give a wider, overarching view.
Electricity North West Limited	Agree	Should the SMDA Scheme be governed by the SEC we agree that a SEC Panel representative should sit on the SMDA Board to act for all SEC Parties.
EUA	Strongly agree	As outlined above
ENA	Strongly agree	Given DNO's do not currently have board representation, our members would greatly support a SEC Panel representative, provided they acted on behalf of all SEC parties, and not just Suppliers.

Question 12		
Respondent	Response	Rationale
OVO	Strongly agree	We believe it is essential to that SEC Panel has a representative on the SMDA Board under the proposed approach, as this will give Panel some control over budgets and future directions for the scheme.
Scottish and Southern Electricity Networks	Strongly agree	Given Network Parties do not currently have board representation, SSEN would greatly support a SEC Panel representative, provided they acted on behalf of all SEC parties, and not just Suppliers.
Utility Warehouse	Agree	We support the preferred approach outlined to include a SEC Panel representative as an SMDA Board member, thereby providing a level of input and scrutiny.
Centrica	Agree	As above, if SEC Parties are funding the fixed costs elements of the SMDA scheme that it is right and proper that they have the ability to interact with the governance arrangements. As a minimum, we would expect this to be representation on the Board and Management Panel. Whether that representation has the same standing as other Board and Management Panel representatives is a separate matter that would need to be addressed.
UK Power Networks	Strongly agree	Given ENOs do not currently have Board representation, we would greatly support an ENO SEC Panel representative
Landis+Gyr	Agree	This will allow the SEC to ensure the funding is being used effectively.
ScottishPower Energy Retail Ltd	Agree	This seems reasonable, but may not be necessary if the SMDA Co. Articles were changed to ensure SEC Panel agreement was sought on any non-trivial matters.

Question 13: If you disagreed with the proposed approach in Question 12, please outline your preferred governance approach

Question 13	
Respondent	Response and rationale
Calvin Asset Management Ltd	N/A
Chameleon Technology	N/A
Octopus Energy	N/A
George Wilson Industries Ltd	N/A
NMI Certain	N/A
Honeywell	N/A
Western Power Distribution	N/A
Drax Group	N/A
DCC	Blank
CMAF	Blank
EDF	N/A
Critical Software Technologies Limited	Blank
E.ON	N/A
Horizon Energy Infrastructure	N/A
SMS	Blank

Question 13	
Respondent	Response and rationale
Electricity North West Limited	N/A
EUA	N/A
ENA	N/A
OVO	N/A
Scottish and Southern Electricity Networks	N/A
Utility Warehouse	Blank
Centrica	Although we do not disagree with the proposed approach, we do believe that Options 4, 5 ,6 & 7 should be considered as alternatives or longer-term options.
UK Power Networks	N/A
Landis+Gyr	N/A
ScottishPower Energy Retail Ltd	N/A

Question 14: Please provide any further comments you may have.

Question 14	
Respondent	Response and rationale
Calvin Asset Management Ltd	<p>One big issue that needs to be resolved with the SMDA scheme is the ability to test communications hubs so that the full smart meter installation is tested for inter-operability and inter-changeability.</p> <p>The funding questions raised in this consultation do not address this issue at all and further consideration of this point is needed to create a viable assurance scheme.</p> <p>SMDACo need to consider how communications hubs can be tested and how the costs of this testing can be funded. The viability of bring in the DCC into the SMDA Scheme as an additional test house alongside NMI needs to be considered.</p>
Chameleon Technology	N/A
Octopus Energy	N/A
George Wilson Industries Ltd	N/A
NMI Certin	Confidential – not for disclosure beyond the groups noted in the cover note.
Honeywell	N/A
Western Power Distribution	<p>Although we feel that the SMDA Scheme is a good initiative, we believe that currently it is providing no benefit to DNOs. This is due to the fact that it is voluntary and currently only has two partially assured devices on the list of assured devices. A lot of the issues that we are seeing are around SEC non-compliance rather than interoperability and interchangeability which is the aim of the scheme. SMDA testing is running behind live operations with difficulty in getting up to date firmware and CHs, as well as not testing the key functionality of Network Operators. For the scheme to be more beneficial we believe that these issues need to be addressed and issues addressed prior to devices being added to the CPL and installed in the live environment.</p>

Question 14

Respondent	Response and rationale
Drax Group	No further comments.
DCC	Once the consultation responses have been analysed, it would be important to know if the preferred option would be implemented in the current (RY2020/21) or upcoming Regulatory Year (RY2021/22). DCC sets its charges on an annual basis, such that forecast costs (including the SECCo budget) are included in our draft Charging Statement in December, so any additional cost that needs to be recovered through DCC charges in RY 2021/22 must be included as part of that process in December 2020. DCC's preference is that such costs are not recovered through DCC charges in RY 2020/21, as these were set in December 2019 and there is a cost recovery risk associated with any increase in cost in-year.
CMAP	Blank
EDF	As agreed at various industry forums, SMDA appears to be a test regime that the industry needs. With this in mind, and given the relatively low costs (for example compared to Alt HAN), we believe it is time for the rest of the industry and regulatory bodies to step up and proactively look at ways to ensure this scheme is viable
Critical Software Technologies Limited	Blank
E.ON	Blank
Horizon Energy Infrastructure	<p>The current SMDA funding model is not sustainable, the scheme is providing a valuable service to the industry that isn't supported through any other industry testing. As well as this consultation it is imperative that DCC is required to submit their comms hubs for testing.</p> <p>We have also contributed to the CMAP response and will continue to support the work of SMDA. Whilst the current scheme appropriately tests against fixed technical and testing baselines and enables devices to gain assurance during the installation phase of the Smart Meter Implementation Programme (i.e. to end 2024 in line with BEIS policy), there may be different approaches to testing beyond the installation period that will deliver more assurance and better value for money (e.g. against installed combinations of devices, rather than fixed baselines). There is an opportunity to review the enduring assurance solution to ensure that devices continue to be assured against a changing environment over time. This will make sure that, in the longer</p>

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Question 14	
Respondent	Response and rationale
	term, devices can remain installed and fully functional for their full life expectancy. As part of the full SEC Modification Proposal, CMAP members consider that the scope of the SMDA scheme beyond the end of the installation period (i.e. after end 2024) should be reviewed and revisions considered to provide the best value for money for an enduring assurance scheme. This should not affect the proposals for funding to the end of the installation period, but ensure that funding is provided for an SMDA scheme that provides best value for money on an enduring basis.
SMS	<p>In Summary, we are not against SMDA as a Scheme. But feel focus should be on making the Scheme more suitable for enduring change before deciding how it should be funded.</p> <p>We would strongly suggest a review of SMDA “Phase 2” – to focus on ensuring the testing and assurance is suitable for the real life scenarios change will take place in, as indicated above.</p>
Electricity North West Limited	<p>We have concerns that SMDA does not validate that a meter device is fully compliant with the Smart Meter Equipment Technical Specification (SMETS) / Great Britain Companion Specification (GBCS).</p> <p>We also understand that only two SMETS2 devices have fully passed SMDA assurance yet there are at least 66 different model types in use within customer’s homes, which enforces the belief that the current test assurance approach is not particularly effective.</p> <p>We would welcome additional assurance and testing of meter devices prior to installation in customer’s homes but SMETS compatibility/compliance is a Licence responsibility for Suppliers,</p> <p>We do not want Electricity Network Parties to be exposed to any cost recovery mechanism associated with device testing, as that has the potential to increase costs for the customers served in each distribution services area.</p>
EUA	N/A
ENA	<p>The SMDA Scheme is a great initiative, but in its current state it provides little to no benefit to DNOs for a number of reasons:</p> <ul style="list-style-type: none"> The SMDA scheme is voluntary, currently only 2 partially assured ESMEs exist on the list of assured devices, whilst 66 meter variants exist in live today;

Question 14	
Respondent	Response and rationale
	<ul style="list-style-type: none"> Some of the key issues DNOs are currently working on via ENA's DCC Interaction IT Group (DIG) are issues of SEC compliance, not interoperability and interchangeability, which is the current main objective of the SMDA scheme; The current scope of SMDA test cases has a significant gap when compared to the breadth of testing that DNOs would hope to get assurance on; specifically they do not include testing of some of the key smart metering system functionality that DNOs will rely on to deliver customer benefits; and SMDA testing appears to be very behind live operations, e.g. no testing of devices in Arqiva region, despite devices operating live across the Northern region. <p>Our DNO members would be more supportive of an SMDA scheme that addresses these issues, and provides the ability to identify issues with devices ahead of live operation.</p>
OVO	N/A
Scottish and Southern Electricity Networks	<p>The SMDA Scheme is a great initiative, but in its current state it provides little to no benefit to DNOs for a number of reasons:</p> <ul style="list-style-type: none"> The SMDA scheme is voluntary, currently only 2 partially assured ESMEs exist on the list of assured devices, whilst 66 meter variants exist in live today; Some of the key issues DNO's are currently working on via the DIG forum are issues of SEC compliance, not interoperability and interchangeability, which is the main objective of the SMDA scheme; The current scope of SMDA test cases has a significant gap when compared to the breadth of testing that DNOs would hope to get assurance on; SMDA testing appears to be very behind live operations, e.g. no testing of devices in Arqiva region, despite devices live across the Northern region. <p>Our DNO members would be more supportive of an SMDA scheme that addresses these issues and provides the ability to identify issues with devices ahead of live operation.</p>
Utility Warehouse	Blank

Question 14	
Respondent	Response and rationale
Centrica	N/A
UK Power Networks	<p>The SMDA Scheme is a good initiative, but in its current state it provides little to no benefit to ENOs for a number of reasons:</p> <ul style="list-style-type: none"> • The SMDA scheme is voluntary, currently only two partially assured ESMEs exist on the list of assured devices, whilst 66 meter variants exist in live today; • Some of the key issues ENO's are currently working on via the DCC Interaction Group (DIG) forum are issues of SEC compliance, not interoperability and interchangeability, which is the main objective of the SMDA scheme; • The current scope of SMDA test cases has a significant gap when compared to the breadth of testing that ENO's would hope to get assurance on testing smart meters and systems which they rely on for delivering customer benefits, and • SMDA testing appears to be very behind live operations, e.g. no testing of devices in Arqiva region, despite live devices operating across the northern region. <p>We would be more supportive of an SMDA scheme that addresses these issues, and provides us with the ability to identify issues with devices ahead of live operation.</p>
Landis+Gyr	None
ScottishPower Energy Retail Ltd	N/A