MP111 ‘SMDA Budget Amendments’

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September 2020 Working Group – meeting summary

Attendees

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| **Attendee** | **Organisation** |
| Ali Beard | SECAS |
| Joe Hehir | SECAS |
| Joey Manners | SECAS |
| David Walsh | DCC  |
| Robert Munro | DCC |
| Glenn Critchley | DCC |
| Mari Toda | DCC |
| Simon Trivella | British Gas |
| Paul Saker | EDF |
| Alex Hurcombe | EDF |
| Rob Williams | E.ON |
| Terry Jefferson | EUA |
| Louise Singleton | Gemserv |
| Alastair Cobb | Landis + Gyr |
| Elias Hanna | Landis + Gyr |
| John Noad | Npower |
| Mahfuzar Rahman | Scottish Power |
| Emslie Law | SSE/OVO |
| Matthew Alexander | SSEN |
| Rachel Norberg | Utilita |
| Gemma Slaney | WPD |

Issue

The Smart Energy Code Administrator and Secretariat (SECAS) reviewed the issue:

* Smart Metering Device Assurance (SMDA) is currently funded by membership fees
* A recent National Audit Office report and a subsequent Department of Business, Energy and Industrial Strategy (BEIS) report both recommended the funding mechanism is reviewed to ensure futureproofing
* A joint SEC/SMDA consultation carried out in May 2020 showed the majority of respondents are in favour of brining the funding into the SEC

Solution options

The consultation offered a number of solution options; many of these involved changes to the Data Communications Company (DCC) Licence. Ofgem advised SECAS that any changes to the DCC Licence would require an additional period of consultation and there would be no guarantee that the changes would be implemented.

Legal advice given to SECAS showed that the scope of the SMDA remit is consistent with the existing description of the SEC and Panel under the DCC Licence. The Legal advice also recommended that there would be no problem bringing SMDA under the SEC, but the governance arrangement would need to be subsumed into the SEC.

In addition to the solutions consulted upon, an industry Party suggested that SMDA could become a SEC Panel Sub-Committee. The SMDACo Board would become the SMDA Sub-Committee and the SMDA Management Panel would become a sub-group of the Sub-Committee. The SMDACo Board would transfer the contracts to SECCo and the SMDACo would then be wound up.

**Working Group Discussions**

The Working Group had no objections to this proposal although there were some concerns about the scope of SMDA, particularly from a Network Party. They were concerned they were being asked to pay for a service which they did not use and did not offer the tests they require. They were further concerned that a modification might be needed to alter the scope of SMDA. The SECAS response was that once the SMDA was bought under the vires of the SEC then the scope could be expanded at the request of the SEC Panel.

Concerns were also expressed about a recent Draft Proposal (DP) [DP138 ‘DCC Service Testing in ETAD’](https://smartenergycodecompany.co.uk/modifications/dcc-service-testing-in-etad/). This DP proposes to allow the DCC to offer four tests at its test houses and some Working Group members were concerned that this was an overlap. The SMDA representative assured the Working Group that the DCC tests would be carried out by manufacturers of Devices and therefore not independent, whereas SMDA was independent assurance that Devices are interchangeable and interoperable. Furthermore, Working Group members were concerned that the most up to date versions of Firmware might be available to manufacturers at the DCC Test House but not at the SMDA Test House.

Another Working Group member suggested that the DCC should submit Communications Hubs to the SMDA Scheme for testing. The Working Group agreed that this had been discussed before but there was currently no mandate for this.

The Working Group agreed that the SSC model with respect to the Competent Independent Organisation (CIO) User Assessments was suitable for the SMDA Sub-committee. They also agreed with the definitions of Fixed and Variable costs and that the testing costs would be invoiced directly from the Test House to the manufacturers.

The Working group were asked about the representation on the SMDA Sub-Committee and on the SEC Panel and Board. A DCC representative felt they should be involved but other members of the Working Group commented that this was not a question for them to answer.

Next steps

The following actions were recorded from the meeting:

* SECAS will present the solution to the Panel and then issue the Report for Refinement Consultation.