

**SMART METER COMMUNICATION LICENCE CONDITIONS**<sup>1</sup>

**Condition 13B. Network Evolution Arrangements**

**Introduction**

13B.1 This condition enables the Secretary of State to make appropriate provision under this Licence and the Smart Energy Code for the purpose of facilitating the achievement of efficient, economical, co-ordinated and timely Network Evolution Arrangements.

**Part A: Production of Plans for the Network Evolution Arrangements**

13B.2 Where the Secretary of State gives a direction to the Licensee under this paragraph 13B.2, the Licensee must, by no later than the date specified in the direction, prepare and submit to the Secretary of State, for approval, a plan (or plans) for the design, development, and implementation of the systems, processes, and procedures intended to comprise any part or the whole of the Network Evolution Arrangements, as may be specified in any such direction.

13B.3 For the purpose of producing and submitting the plan (or plans) required under paragraph 13B.2, the Licensee must first:

- (a) issue the plan in draft to the SEC Panel and all SEC Parties;
- (b) consult with those persons about the proposed content of the plan; and
- (c) have due regard to the responses to the consultation in determining whether, and if so how, to amend the plan before submitting it to the Secretary of State for approval.

13B.4 The Licensee must, as soon as practicable following the consultation undertaken in accordance with paragraph 13B.3(b), submit its proposed plan to the Secretary of State for approval, together with:

- (a) a fair and accurate summary of the comments received by the Licensee in the course of the consultation; and
- (b) an explanation of how and to what extent (if any) the Licensee has taken account of such comments in the plan submitted for approval.

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<sup>1</sup> Please note this annex also contains proposed amendments to the smart meter communications licence condition 45 which was confirmed in the Government response to the consultation on future coordinated consumer engagement, published on 23 November 2020. See:  
<https://www.gov.uk/government/consultations/smart-meter-coordinated-consumer-engagement>

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13B.5 Where the Secretary of State does not approve the Licensee's proposed plan, the Secretary of State may issue a direction to the Licensee:

- (a) to make such modifications, or modifications of such nature or purpose or effect, to the plan as are specified in the direction;
- (b) for that purpose to comply with any requirements with respect to process and timeframe as may be specified in the direction; and
- (c) to resubmit a proposed plan to the Secretary of State for approval by such date as may be specified in the direction.

13B.6 The Secretary of State may give a direction under paragraph 13B.5 in respect of any plan submitted to it under paragraph 13B.4 or paragraph 13B.5(c).

13B.7 The Secretary of State may, following any such consultation as he considers appropriate with SEC Parties and such other persons as he considers appropriate, approve a plan submitted to him under paragraph 13B.4 or 13B.5(c) (as the case may be).

**Part B: Implementing approved plans**

13B.8 The Licensee must take all reasonable steps to give effect to the plan (or plans) approved by the Secretary of State, and such steps:

- (a) must include:
  - (i) working in conjunction and cooperation with SEC Parties, the SEC Panel and, where applicable, SECCo Ltd and any other relevant persons, with a view to achieving that purpose in accordance with such timescales as are specified; and
  - (ii) making changes to existing Relevant Service Capability and/or procuring additional Relevant Service Capability, in each case to such extent as may be required for that purpose; and
- (b) may include the establishing of processes and procedures to be followed by SEC Parties, including the Licensee, for the orderly and co-ordinated delivery and implementation of, and transition and/or migration to, the Network Evolution Arrangements and notifying SEC Parties of such processes and procedures.

**Part C: Powers to direct and approve production of new plans**

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13B.9 This Part C applies if the Secretary of State is of the opinion that the plan (or plans) established by virtue of Part A above is no longer suitable for the purpose of facilitating the implementation of the Network Evolution Arrangements.

13B.10 If this Part C applies, the Secretary of State may direct the Licensee to produce a new plan (or plans), covering the same matters as those for which paragraph 13B.2 provides and any additional matters specified in the direction, which will be more suitable for the purposes of facilitating the implementation of the Network Evolution Arrangements.

13B.11 A direction given under paragraph 13B.10 may include requirements for the new plan (or plans) to replace, in whole or in part, the plan (or plans) already established by virtue of Part A above, or to add to the provisions of any such plan (or plans).

13B.12 In complying with a direction given under paragraph 13B.10, the Licensee must do so in accordance with the provisions of paragraphs 13B.3 to 13B.5.

13B.13 Where any new plan (or plans) produced under this Part C has been approved by the Secretary of State pursuant to paragraph 13B.4 or paragraph 13B.5(c) (as the case may be), the Licensee must implement the approved plan (or plans) (with any amendments that may have been specified in the approval) in the same terms as apply to the Licensee under paragraph 13B.8.

**Part D: Interpretation**

13B.14 In this Condition:

**Network Evolution Arrangements** means arrangements for:

- (a) utilising the newer forms of next-generation wireless mobile telecommunications technology for the secure telecommunication platform used (or to be used) for the purposes of communicating with Smart Metering Systems;
- (b) ensuring, including by way of re-procurement where required, continuity in the provision of data services with respect to Smart Metering Systems;
- (c) delivering further automated testing of system changes required for implementation of changes

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proposed and/or made to the Smart Energy Code;  
and

(d) ensuring, including by way of re-procurement  
where required, continuity in the provision of the  
SMKI Service,

and any other arrangements which the Secretary of State  
reasonably considers are materially associated with or  
required to support the arrangements referred to in  
paragraphs (a) to (d) above.

## **Condition 45. Provision of Market Share Information to the Central Delivery Body**

### **Introduction**

- 45.1 This condition requires the Licensee to provide Market Share Information to the Central Delivery Body on terms agreed between them or determined by the Authority.

### **General Obligation**

- 45.2 The Licensee must within 28 days (except where the Central Delivery Body agrees to a longer period or where the Authority otherwise consents) of receipt of a request from the Central Delivery Body to do so, offer to enter into an agreement for the provision of Market Share Information (**Market Information Agreement**).

### **Terms of the Agreement**

- 45.3 Where pursuant to paragraph 45.2 the Licensee offers to enter into a Market Information Agreement, the terms of that agreement shall, subject to paragraphs 45.4 and 45.7, be such as may be agreed between the Licensee and the Central Delivery Body.

- 45.4 The terms of a Market Information Agreement must, as a minimum:

- (a) specify that the Licensee will provide Market Share Information to the Central Delivery Body free of charge;
- (b) identify or make provision for determining the Market Share Information to be provided and the period to which it shall relate;
- (c) make provision for the times at which and the manner in which the Market Share Information is to be provided;
- (d) prohibit the Central Delivery Body from using the Market Share Information for any purpose other than for the purpose of:
  - (i) establishing a mechanism to allocate the costs of the Central Delivery Body between licensed gas and electricity suppliers on the basis of such suppliers' respective shares of the markets for gas and electricity supply; and
  - (ii) determining the amount of each invoice to be sent to each licensed gas and electricity supplier for the purposes of recovering the costs allocated to each such supplier in accordance with the established mechanism; and
- (e) subject to paragraph 45.5, prohibit the Central Delivery Body from disclosing Market Share Information provided to it by the Licensee to any person.

- 45.5 The terms of a Market Information Agreement may provide for the Central Delivery Body to disclose Market Share Information:

- (a) that relates only to an individual gas or electricity supplier to that gas or electricity supplier;
- (b) to any agent, consultant or contractor of the Central Delivery Body where required for the purposes of enabling the Central Delivery Body to use the Market Share

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Information for either of the purposes referred to in paragraph 45.4(d), provided that the Central Delivery Body ensures that any such person does not use the information for any other purpose or further disclose it to any other person.

### Determination of disputes between the parties

- 45.6 Any dispute arising between the Licensee and the Central Delivery Body in relation to the terms offered by the Licensee for entering into a Market Information Agreement may be referred by either of them to the Authority for determination.
- 45.7 Where the Central Delivery Body wishes to proceed on the basis of a Market Information Agreement on terms determined by the Authority under paragraph 45.6, the Licensee must enter into and implement such agreement without delay and in accordance with its terms.
- 45.8 The practice and procedure to be followed in connection with the determination of a dispute under this condition are to be such as the Authority considers appropriate in all the circumstances of the case.
- 45.9 The Authority must send a copy of its determination, together with a full statement of the reasons for it, to both parties to the dispute.
- 45.10 The Authority may publish (in such manner as it considers appropriate) so much of any determination made under this condition as (having regard to the need to preserve commercial confidentiality) it considers should be published.
- 45.11 A determination under this condition may include such provision requiring either or both of the parties to the dispute to pay a sum in respect of the costs or expenses incurred by the Authority in making the determination as the Authority considers appropriate in all the circumstances of the case.

### Definitions

- 45.12 In this Condition:

**Central Delivery Body** means the body corporate established by Energy Suppliers in accordance with Standard Licence Condition 45 [or as the case may be with Standard Licence Condition 45A](#) of the Electricity Supply Licences and Standard Licence Condition 39 [or as the case may be with Standard Licence Condition 39A](#) of the Gas Supply Licences (Smart Metering Consumer Engagement).

**Market Information Agreement** has the meaning given to it in paragraph 45.2.

**Market Share Information** means information held by the Licensee pursuant to Section E of the Smart Energy Code in respect of the total number of:

- (a) MPANs registered for each licensed electricity supplier; and
- (b) MPRNs registered for each licensed gas supplier.

**MPAN** has the meaning given to it in the Master Registration Agreement.

**MPRN** has the meaning given to it in the Uniform Network Code.