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DP148 'IVP Extension for pre-SMETS2 v4.2 Devices'

Modification Report

Version 0.2

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Corporate member of
Plain English Campaign
Committed to clearer
communication

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About this document

This document is a Modification Report. It sets out the background, issue, solution, impacts, costs, implementation approach and progression timetable for this modification, along with any relevant discussions, views and conclusions.

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This document also has one annex:

- **Annex A** contains the redlined changes to the Smart Energy Code (SEC) required to deliver the Proposed Solution.

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1. Summary

This proposal has been raised by Andrew Sargent from E.ON Energy.

The SEC sets out the Smart Metering technical specifications. To ensure interoperability, the dates that these technical specifications can be used are set out within SEC Schedule 11 'Technical Specification Applicability Tables' (TSAT).

For a large part of 2020 the UK government issued social distancing guidance around transmission of COVID-19 meaning only essential meter installations were able to take place. If the existing Installation Validity Period (IVP) end-date of 27 April 2021 remains as is, and the reduced speed of installations continues, then thousands of Devices would be scrapped.

The Proposed Solution is to extend the IVP end-date for any pre-Smart Metering Equipment Technical Specifications (SMETS) 2 v4.2 Devices from its current date of 27 April 2021 for a further six months to 27 October 2021. This will allow Supplier Parties and Device Manufacturers to avoid significant financial costs that would be incurred if the existing IVP end-date remains.

Only Supplier Parties and Other SEC Parties (specifically Manufacturers and Meter Asset Providers (MAPs)) will be impacted by this Proposal, but these would be positive impacts to prevent a write off of pre-SMETS2 v4.2 stock which would incur considerable financial and environmental costs. Implementation effort will be limited to Smart Energy Code Administrator and Secretariat (SECAS) time and effort. This is a Self-Governance Modification and, if approved, will be implemented in an ad-hoc SEC Release before the existing IVP end date.

2. Issue

What are the current arrangements?

Current Arrangements

The SEC sets out the Smart Metering technical specifications. These include the SMETS and the Great Britain Companion Specification (GBCS). To ensure interoperability the TSAT specifies the dates Devices using these specifications can be installed and maintained. The IVP sets out the date until which these Devices can be installed. The current IVP end-date for all pre-SMETS2 v4.2 is set to 27 April 2021 as displayed in the TSAT.

What is the issue?

In March 2020 the UK government issued social distancing guidance around the transmission of COVID-19. This resulted in only essential meter installations taking place, which dramatically reduced the number of smart meters installed after March 2020. The industry was not able to install as many Devices as it had previously planned.

This coupled with Brexit planning and the delayed availability of SMETS2 v4.2 compliant Devices, has led to a build-up of stock that is pre-SMETS2 v4.2 in the supply chain. These cannot feasibly be installed under the current COVID-19 guidance by the current IVP end dates in TSAT of 27 April 2021.

What is the impact this is having?

Impact on SEC Parties

Doing nothing means Supplier Parties with large stock volumes of pre-SMETS2 v4.2 Devices will be unable to install these after the current IVP date within the TSAT. If this is the case, this may result in a large financial impact in the form of stock write offs for both Suppliers and Device Manufacturers. Given the financial implications this could have on some Supplier Parties and Device Manufacturers due to negative economic activity around COVID-19 restrictions, this may threaten the sustainability of some Supplier Parties and Device Manufacturers.

Impact on consumers

There is no direct impact on consumers. However, if Supplier Parties and Device Manufacturers incur financial costs by having to scrap pre-SMETS2 v4.2 Devices due to not having them installed by the IVP end-date, there may be a pass through of costs to consumers.

3. Solution

Proposed Solution

The Proposed Solution is to extend the IVP end-date for any pre-SMETS2 v4.2 Devices from its current date of 27 April 2021 for a further six months to 27 October 2021. This will allow Supplier Parties and Device Manufacturers to avoid significant financial costs that would be incurred if the existing IVP end-date remains. This would be caused by having to write off the existing stock of pre-SMETS v4.2 Devices which wouldn't be able to be installed past the current IVP end-date.

4. Impacts

This section summarises the impacts that would arise from the implementation of this modification.

SEC Parties

SEC Party Categories impacted			
✓	Large Suppliers	✓	Small Suppliers
	Electricity Network Operators		Gas Network Operators
✓	Other SEC Parties		DCC

Breakdown of Other SEC Party types impacted			
	Shared Resource Providers	✓	Meter Asset Providers

Breakdown of Other SEC Party types impacted		
✓	Device Manufacturers	Flexibility Providers

Supplier Parties

Supplier Parties would be granted additional time to install pre-SMETS2 v4.2 Devices they currently hold. The positive impact would be that it would help prevent avoidable financial and environmental costs due to wasted stock.

Device Manufacturers

Device Manufacturers would be able to reduce or remove potential write offs of pre-SMETS v4.2 stock they have produced which have not been order by Suppliers due to reduced installation rates of such Devices.

Meter Asset Providers

MAPs will be affected by this Proposal by being able to continue installing pre-SMETS v4.2 Devices until the new IVP end-date.

DCC System

There are no impacts on the DCC Systems.

SEC and subsidiary documents

The following parts of the SEC will be impacted:

- Schedule 11 'Technical Specification Applicability Table'

The changes to the SEC required to deliver the proposed solution can be found in Annex A.

Consumers

If this change is not implemented consumers may be negatively affected by the pass through of any costs incurred by industry Parties, incurred through scrapping pre-SMETS v4.2 Devices that were unable to be installed before the IVP end-date. If the IVP end-date was extended, this pass through could be avoided.

Other industry Codes

This Proposal will not impact any other industry Codes.

Greenhouse gas emissions

This Proposal will not directly impact greenhouse gas emissions but preventing the wastage of pre-SMETS2 v4.2 Devices would avoid environmental wastage.

5. Costs

DCC costs

There are no DCC costs to implement this proposal.

SECAS costs

The estimated SECAS implementation costs to implement this modification is one day of effort, amounting to approximately £600. The activities needed to be undertaken for this are:

- Updating the SEC and releasing the new version to the industry.

SEC Party costs

There will be no cost to SEC Parties to implement this proposal.

6. Implementation approach

Recommended implementation approach

SECAS is recommending an implementation date of:

- **Ten Working Days after decision.**

This modification will not receive a decision in time for the February 2021 SEC Release and the following SEC Release (June 2021) will be after the IVP end date has passed. Therefore, this modification, if approved will be implemented as an ad-hoc Release 10 Working Days after decision.

7. Assessment of the proposal

Observations on the issue

Previous Modification Proposals

A Modification Proposal was introduced earlier in 2020 to extend the IVP end-date due to the same COVID-19 social distancing guidance. [MP123 'IVP realignment of SMETS2 v2.0 and v3.1'](#) was implemented on 29 May 2020 to prevent similar stock being written off due to the severely reduced the installation rate of such Devices. The Proposed Solution for MP123 was to extend the IVP end-date by six months from 27 October 2020 to 27 April 2021.

[MP139 'MVP and IVP dates for CHTS'](#) is currently being considered to extend the IVP and Maintenance Validity Period (MVP) end dates for the Communications Hub Technical Specifications (CHTS). This modification looks at extending the IVP and MVP dates for Suppliers to install older versions of Communications Hubs that have suffered from the same problem of reduced installs following the social distancing guidance and delays in the DCC firmware releases and Central Products List (CPL) certification. In that modification, compatibility was considered to be an issue. During discussions a Technical Architecture and Business Architecture Sub Committee (TABASC) member highlighted that Suppliers are likely to have stocks of both Communications Hubs and Devices which will be deployed together thereby avoiding compatibility issues. If MP139 is approved, this modification will likely assist Suppliers to roll out Devices that are compatible with these older Communications Hubs.

Request for Information

A Request for Information (RFI) for this Draft Proposal was released to industry on 6 January 2021 and closed on 19 January 2021. This RFI asked respondents about their approximate meter asset stock levels in March 2020 and December 2020, how many of these meter assets would be scrapped if the IVP date weren't extended from 27 April 2021 and whether they believe the proposed six month extension is a sufficient length of time. Responses to the RFI will be presented to the Change Sub Committee (CSC) on 26 January 2021 as a verbal update to show whether respondents are supportive of the Draft Proposal.

Security Sub Committee input

The Security Sub Committee (SSC) reviewed the Draft Proposal on 13 January 2021. At this meeting, it was asked for comment on the issue, potential impacts and the Proposed Solution. The SSC believe that this has no security implications and does not tie into any current Issue Resolution Proposals (IRPs). One SSC member stated that the RFI would likely return responses that propose extensions beyond six months due to the nationwide lockdown announced on 4 January 2021 which would likely cause further delays to meter installations.

Solution development

The Proposed Solution was developed by using a similar solution to [MP123 'IVP realignment of SMETS2 v2.0 and v3.1'](#) and confirming that industry believes this solution is adequate by putting this question to the CSC, Panel Sub-Committees and including it as a question in the RFI.

This will be assessed further after the responses from the RFI have been received.

Support for Change

Other than the Proposer and positive responses received from the CSC and Panel Sub-Committees, support for the Draft Proposal has come from SEC Parties directly to SECAS. One Other SEC Party and one Small Supplier have contacted SECAS to state their support. The Small Supplier provided its rationale for supporting this Draft Proposal by saying that any extension of the IVP end-date for pre-SMETS2 v4.2 Devices would help it better manage its supply chains given the challenges that COVID-19 continues to present. The Other SEC Party supported this Draft Proposal due to having

significant volumes of SMETS2 v2.0 and SMETS2 v3.1 Devices within its current stock that would be unlikely to be cleared before the current IVP end-date of 27 April 2021.

Views against the General SEC Objectives

Proposer's views

The Proposer believes this Draft Proposal better facilitates SEC General Objective (a)¹, that this will help to better facilitate the efficient provision and installation of smart metering systems by avoiding costs and environmental wastage through stock write offs.

Industry views

This will be assessed further after the responses from the RFI have been received.

Appendix 1: Progression timetable

The Draft Proposal will be taken to the CSC on 26 January 2021. Following that and if accepted it will be taken to Panel on 12 February 2021 to convert to a Modification Proposal, to be taken straight to the Report Phase as a Self-Governance Modification and issued for Modification Report Consultation.

Timetable	
Event/Action	Date
Draft Proposal raised	23 Nov 2020
Presented to CSC for initial comment and recommendations	24 Nov 2020
Presented to CSC for decision	26 Jan 2021
Panel converts Draft Proposal to Modification Proposal	12 Feb 2021
Modification Report Consultation	15 Feb - 5 Mar 2021
Change Board Vote	24 Mar 2021

Appendix 2: Glossary

This table lists all the acronyms used in this document and the full term they are an abbreviation for.

Glossary	
Acronym	Full term
CHTS	Communications Hub Technical Specifications
CSC	Change Sub Committee
DCC	Data Communications Company

¹ Facilitate the efficient provision, installation, operation and interoperability of smart metering systems at energy consumers' premises within Great Britain.

Glossary	
Acronym	Full term
GBCS	Great Britain Companion Specification
IRP	Issue Resolution Proposal
IVP	Installation Validity Period
MAP	Meter Asset Provider
MVP	Maintenance Validity Period
RFI	Request For Information
SEC	Smart Energy Code
SECAS	Smart Energy Code Administrator and Secretariat
SMETS	Smart Metering Equipment Technical Specification
SSC	Security Sub Committee
TABASC	Technical Architecture and Business Architecture Sub-Committee
TSAT	Technical Specification Applicability Table