

Modification proposal:	Smart Energy Code (SEC) Modification Proposal (MP) 0015: GPF Timestamp for Reading Instantaneous Gas Values		
Decision:	The Authority ¹ determines that this modification ² should be made ³		
Target audience:	Data and Communications Company (DCC), SEC Panel, Parties to the SEC and other interested parties		
Date of publication:	31 March 2021	Implementation date:	30 June 2022

Background

Gas Smart Metering Equipment (GSME) is battery powered and uses a low energy circuit to continuously record how much gas has passed through its measuring element, known as the consumption register, which updates the meter balance. In normal operational conditions, the GSME powers up and connects to the Gas Proxy Function (GPF) via the Home Area Network (HAN) approximately every 30 minutes. The GPF is part of the Communications Hub and is therefore continuously powered. In circumstances where the GSME is unable to communicate with the GPF the information would not be updated.

It is the view of the Proposer that this situation could potentially lead to an out-of-date picture of consumption and meter balance being displayed on a consumer's In-Home Display (IHD) or Prepayment Meter Interface Device (PPMID), without it being obvious that the value is not current. This may be of particular concern for prepayment consumers, where a higher credit balance may be available on their meter than the actual position. Under these circumstances, prepayment consumers could have their gas supply cut off before they expect due to incorrect credit balance being displayed.

¹ References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

² 'Change' and 'modification' are used interchangeably in this document.

³ This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and by section 38A of the Gas Act 1986.

In addition, presenting this information with no date and timestamp could also impact a Supplier's interactions with a consumer on aspects such as billing, direct debit payments and Time of Use tariffs.

The modification proposal

SECMP0015 was raised by E.ON (the Proposer) on 31 May 2016 and seeks to allow Parties and Devices reading the instantaneous values from the GPF to know the time on the GSME's clock when those values were provided, or the time on the GPF when the values were received if the GSME cannot provide a time and date stamp.

Modification History

SECMP0015 was originally progressed as a Self-Governance modification, with the original decision of the Change Board (CB) to reject the modification being appealed to the SEC Panel on 14 August 2020. The Panel's decision to overturn the CB vote was then appealed to us on 27 August 2020. Upon receipt of the appeal, we found that that the Final Modification Report (FMR) did not contain a sufficient level of evidence regarding the costs and benefits of this modification. We therefore were unable to make a decision and subsequently sent the modification back to the SEC Panel on 18 September 2020⁴ for further development and explanatory work to be completed.

Subsequent to our decision to send back this modification, the Working Group carried out further development work and re-submitted the FMR to the SEC Panel on 15 January 2021. The Panel approved the modification report for progression to the CB vote.

SEC Change Board⁵ recommendation

At the CB meeting on 24 February 2021 the CB agreed unanimously that SECMP0015 would better facilitate the SEC Objectives and the CB therefore recommended its approval.

Our decision

⁴ <https://www.ofgem.gov.uk/publications-and-updates/authority-decision-send-back-secmp0015-gpf-timestamp-reading-instantaneous-gas-values>

⁵ The SEC Panel and Change Board are established and constituted pursuant to and in accordance with DCC Licence 22.25(a).

We have considered the issues raised by the proposal and the FMR submitted to us on 24 February 2021. We have considered and taken into account the votes of the SEC Change Board on the proposal which is attached to the Change Report. We have concluded that:

- implementation of the modification proposal will better facilitate the achievement of the SEC Objectives;⁶ and
- directing that the change is approved is consistent with the Authority's principal objective and statutory duties.⁷

Reasons for our decision

We consider this modification proposal will better facilitate SEC Objectives (a) and (c), and have a neutral impact on the other Objectives.

The first General SEC Objective (a) is to facilitate the efficient provision, installation, and operation, as well as interoperability, of Smart Metering Systems at Energy Consumers' premises within Great Britain.

The Proposer argues that SECMP0015 will better facilitate this Objective by reducing the number of consumer queries relating to billing and direct debit, as well as reducing issues such as settlement imbalances. The proposer considers that this would result in efficiency savings for Suppliers.

We agree with the Proposer's view that timestamped gas readings will allow Suppliers to monitor consumers' gas readings and prepayment balances more accurately. This would therefore have a positive effect against this Objective. We note that a counter argument was made by a respondent to the consultation that this change would not bring about a marked improvement, but rather just indicate where there is an issue with the meter not updating the consumption data in a timely or required way. Whilst we can understand the basis of this argument, our view is that the positive benefits for prepayment consumers that this modification will bring outweigh those concerns. Specifically the ability for these consumers to more accurately monitor their

⁶ The Objectives in accordance with DCC Licence 22.10-22.17

⁷ The Authority's statutory duties are wider than matters that the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 as amended and the Gas Act 1986 as amended.

credit balances, and to top-up when required without the potential detrimental impact of having their gas supply cut off due to the system not accurately displaying their up to date credit balance.

The third General SEC Objective (c) is to facilitate Energy Consumers' management of their use of Energy through the provision to them of appropriate information by means of Smart Metering Systems.

The Proposer considers that SECMP0015 will better facilitate this Objective by enabling Suppliers and consumers to determine if information made available remotely or in the home is current or out of date.

We agree that the identified issue, as defined within the FMR, would likely create problems for gas consumers, particularly those with prepayment meters, who depend upon accurate consumption information to monitor and manage their energy budgets and usage. This scenario could lead to consumers running out of credit unexpectedly or incurring a higher than anticipated bill for their actual usage. The incorporation of a timestamp will allow consumers to identify discrepancies between the PPMID and the actual gas meter balance and better manage these issues.

We acknowledge the concerns around the costs of implementing SECMP0015 raised by respondents to the consultation and at the first CB vote. We are also aware of the continued concern surrounding the costs of progressing change within the SEC, and this was a key consideration in our send-back of the FMR to the SEC Panel. We are satisfied that the DCC has explained the costs, and we note that implementation of this change alongside other modifications in June 2022 will result in significant cost savings (compared to the cost of implementation as a stand alone change). We note the FMR sets out that, in a work group discussion following our send back decision, SECAS and the DCC reiterated that there was no intention to implement this as a stand-alone modification. We are aware that June 2022 implementation was a factor the CB voting in favour of this modification, and we have also taken this into account when making our decision and would not expect to see a deviation from that approach.

Decision notice

In accordance with standard licence condition 23 of the Smart Meter Communication licence, the Authority hereby determines that modification proposal SECMP0015: '*GPF Timestamp for Reading Instantaneous Gas Values*' be made.

Jacqui Russell

Head of Metering & Market Operations

Signed on behalf of the Authority and authorised for that purpose