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DP169

‘Managing SEC Obligations and the Consumers Right to refuse a Smart Meter’

Modification Report

Version 0.2

22 June 2021



About this document

This document is a draft Modification Report. It currently sets out the background, issue, and progression timetable for this modification, along with any relevant discussions, views and conclusions. This document will be updated as this modification progresses.

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1. Summary

This proposal has been raised by Emslie Law from OVO Energy.

Currently a consumer can refuse a smart meter. In some instances, consumers are approaching their Supplier to get the Smart meter installed in 'dumb' mode. However, currently there is no way to do this without impacting other obligations within the Smart Energy Code (SEC).

2. Issue

What are the current arrangements?

Currently a consumer has a legal right to refuse a smart meter. Some consumers do not want a smart meter for specific reasons such as concerns around Radio Frequency (RF) signals, data privacy or other more general concerns. In some instances, consumers are approaching their Supplier to get a smart meter installed in 'dumb' mode to allow for the communications to be limited or 'disabled'. However, currently there is no way to do this without impacting other obligations within the SEC.

The Gas and Electricity Supply Licences (Condition 54.9) states:

Where this paragraph applies the licensee must take all reasonable steps to ensure that the Electricity Meter and Communications Hub Function that form part of the SMETS2+ Smart Metering System at the SMETS2+ premises are Commissioned and the SMETS2+ Smart Metering System Enrolled.

In addition, SEC Appendix AC 'Inventory, Enrolment and Decommissioning Procedures' sets out the pre-commissioning and post commissioning obligations on the Supplier. These include obliging an Installing Supplier to carry out numerous tasks to ensure a Smart Metering System is installed and communicating. This includes placing Smart Metering Key Infrastructure (SMKI) keys and Certificates on the Devices so other Parties can communicate with them. It also includes updating the Data Communications Company (DCC) with the state of the Devices.

Opt In/Opt Out

Service Requests to 'opt in' or 'opt out' of the DCC Service (Service Reference Variants (SRVs) 8.5 'Service Opt Out' and 8.6 'Service Opt In') are present in the DCC User Interface Specification (DUIS) but are not currently allocated to any User Roles and therefore cannot be used. These would require a SEC Modification to reinstate.

What is the issue?

Suppliers are unable to comply with consumer requests to install a smart meter in 'dumb' mode. The SEC does not allow for the Devices on the Smart Metering Inventory (SMI) to be either installed and not commissioned (this is a transient state and not an enduring one) or to fit the meters without also fitting the DCC provided Communications Hub (as reference above in Gas and Electricity Supply Licence Condition 54.9). There is no concept, by design, of fitting a smart meter in 'dumb' mode.

Suppliers are currently either installing heritage meters or installing the smart meter in ways that are or will cause problems elsewhere.

Some of the factors that will need consideration as part of any solution are:

Additional Issues with non-communicating meters	
Issue for consideration	Details
Any form of Load (Heating / Hot Water / Electric Vehicle)	Any consumer on an Economy 7 tariff (or similar) arrangement relies completely on the Smart meter communicating.
Change of Mode (Credit to Prepayment and vice versa)	This is an explicit part of Smart metering; Prepayment will not work on a meter in dumb mode (or when not communicating)
Eligibility and non-eligibility	Potential Network Managed sites with No Wide Area Network (WAN) and those on specific Radio TeleSwitched regimes must have communications.
'Dumb' meters will need manual reads	It is likely Suppliers will no longer have meter reading agents, especially for a Smart meter, so may need the customer to provide reads themselves. Smart meter displays contain more screens and information and the potential for the customer reading the wrong data is therefore increased. There are billing implications Smart is designed to address
DCC / Distribution Network Operator (DNO) flagging the meter as non-communicating	These will be 'invisible' to the DCC. The DNO currently raise these with the Supplier to 'fix'.
Supplier taking on a meter not recorded in the SMI as Smart	May require meters to be replaced and incur Premature Replacement Charges.
Industry standard	A new way to manage these installs must be standardised across the industry so that Change of Supplier (CoS) is not impacted, and the new gaining Supplier is aware of the customer preference and situation. There is currently no flag or state to highlight this.
Availability of Heritage Meters	They are no longer being made in some circumstances. Stocks are running low.
Supplier Licence Requirements	Supplier Licence requires the Installing Supplier to configure and maintain a tariff on the system
Security and Safety Alerts.	The Smart Metering Solution is designed for these to be provided and sent out. This is part of the Benefits case and solution in place for DNOs.
Critical Alerts	SEC Parties are required to take action on specific critical or mandated Alerts.

What is the impact this is having?

There is no concept of a 'dumb' state for a smart meter within the SEC. Where a functioning smart system is installed (and maybe commissioned) the state is not visible and understood by the industry. Consequently, on a CoS and Change of Tenancy (CoT) there is currently a requirement to 'fix' the install leading to additional costs, inconvenience and inefficiencies. Currently the consumer's legal right to refuse cannot be met while still meeting the New and Replacement obligations on the Supplier. This will become increasingly difficult as heritage meters become less available.

Impact on consumers

Currently the consumer's right to refuse a smart meter cannot be met as an enduring process unless Suppliers are deliberately not compliant with the SEC and Supply Licence Conditions.

3. Assessment of the proposal

Observations on the issue

Citizens Advice considered that a Supplier would have met its obligation to take 'all reasonable steps' to install a smart meter if the customer had refused to have a smart meter installed.

The Chair of the Technical Architecture and Business Architecture Sub-Committee (TABASC) highlighted that including the ability in the SEC to not have communications may be in conflict with some of the Supply Licence Conditions and a view from Ofgem should be sought.

The Chair of the Operations Group suggested that the SEC is about smart metering. Enabling Suppliers a ready way to turn off a smart meter may be extending the scope of the SEC beyond the original intentions.

Appendix 1: Progression timetable

This Draft Proposal was raised on 14 June 2021. It will be presented to the Change Sub-Committee (CSC) for initial comment on 29 June.

Timetable	
Event/Action	Date
Draft Proposal raised	14 Jun 2021
Presented to CSC for initial comment	29 Jun 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
CoS	Change of Supplier
CoT	Change of Tenancy

Glossary	
Acronym	Full term
CSC	Change Sub-Committee
DCC	Data Communications Company
DNO	Distribution Network Operator
DUIS	DCC User Interface Specification
RF	Radio Frequency
SEC	Smart Energy Code
SMETS	Smart Metering Equipment Technical Specifications
SMI	Smart Metering Inventory
SMKI	Smart Metering Key Infrastructure
SRV	Service Reference Variant
WAN	Wide Area Network