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# DP169

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

### Modification Report

Version 0.3

21 September 2021



## About this document

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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

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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, there is currently no way to do this without impacting other obligations within the Smart Energy Code (SEC).

## 2. Issue

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### 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, there is currently 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.

### 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 listed in the following table:

| 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 on the smart meter communicating.   |
| Change of Mode (Credit to Prepayment and vice versa)        | A 'dumb' meter cannot be changed between modes remotely – such a change will need a site visit.   |
| Availability of Heritage Meters                             | Heritage meters are no longer being made in some circumstances, and stocks are running low.   |
| Supplier Licence Requirements                               | The Installing Supplier is required to configure and maintain a tariff on the system.   |
| Security and Safety Alerts.                                 | The Smart Metering solution is designed for Security and Safety Alerts to be provided and sent out. This is part of the benefits case and solution in place for Distribution Network Operators (DNOs). These can't be sent if the meter is in 'dumb' mode.  |
| Critical Alerts   | SEC Parties are required to act on specific critical or mandated Alerts. These can't be sent if the meter is in 'dumb' mode.  |
| '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 also billing implications that the Smart Metering solution is designed to address. |
| Eligibility and non-eligibility                             | Potential Network Managed sites with no Wide Area Network (WAN) and those on specific Radio TeleSwitched regimes must have communications. This is not within the remit of the SEC.   |
| DCC / DNO flagging the meter as non-communicating           | The DNO currently raises non-communicating smart meters with the Supplier to 'fix'. The DCC may report these as 'not commissioned'.   |
| Supplier taking on a meter not recorded in the SMI as smart | If a Supplier takes on a meter that isn't recorded as 'smart', it may require that meter to be replaced, which will incur Premature Replacement Charges for Suppliers.  |
| Industry standard   | A new way to manage installs of smart meters set to 'dumb' mode 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.   |

## 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) in a 'dumb' state, that 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 a smart meter 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**

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### **Observations on the issue**

#### **Change Sub-Committee views**

The Proposer highlighted several websites that are providing the view that consumers can refuse a smart meter. They have raised this matter with BEIS and Ofgem as well.

One Change Sub-Committee (CSC) member had raised this issue before and had been informed this related to people opting out of DCC services. At the time they highlighted the need for a solution where a smart meter is the only option available. They sought clarification on what it was the consumer was not wanting when refusing a smart meter. They also noted possible cross-Code changes from any solution, such as if a change to the D0350 data flow is needed. Another member agreed this issue needs to be examined and considered this is likely to be a difficult solution to develop.

#### **Citizens Advice's views**

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.

#### **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). However, these are not currently allocated to any User Roles and therefore cannot be used. These would require a SEC modification to reinstate.

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 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 to 'turn off' a smart meter (such as using the opt in/opt out approach) may be extending the scope of the SEC beyond the original intentions.

This proposal was further discussed at the TABASC where it was noted that there are several work arounds which will not require system changes to implement. The TABASC questioned how many consumers did not want a smart meter. The Proposer reported that it is difficult to tell as the consumer doesn't always say they don't want a smart meter or give a reason but can simply continually cancel appointments.

## TABASC views

A Device Manufacturer at the TABASC was concerned about removing Communications Hubs at a premise where a fully functioning smart metering system is already installed, suggesting meters may become 'distressed' if they lost connection to the Communications Hub.

TABASC members generally agreed that the issues highlighted in this Proposal around visibility of deliberately non-communicating meters are an issue and should be investigated to see if any cost-effective changes were possible to alleviate the issues.

## DCC's views

The DCC and its Service Providers highlighted that any solution that involved removing the Communications Hub would prevent and firmware upgrades to Communications Hubs, meters and any other Devices on the Home Area Network (HAN) which would be an area of concern for security.

It also confirmed that their systems were set up to identify and report non-communicating meters. This would need addressing if this situation was deliberate.

## Appendix 1: Progression timetable

This Draft Proposal will be presented to the CSC for conversion to a Modification Proposal on 28 September and enter the Refinement Process. The Proposal will be initially discussed at the Business Requirements Workshop on 20 September and a verbal update on these discussions will be given to the CSC.

| Timetable   |             |
|---|-------------|
| Event/Action  | Date        |
| Draft Proposal raised                                 | 14 Jun 2021 |
| Presented to CSC for initial comment                  | 29 Jun 2021 |
| CSC converts Draft Proposal to Modification Proposal  | 28 Sep 2021 |
| Business requirements developed with Proposer and DCC | Oct 2021    |
| Modification discussed at Working Group               | 3 Nov 2021  |
| Modification discussed at Working Group               | 1 Dec 2021  |
| Business requirements discussed at TABASC             | Jan 2022    |
| Preliminary Assessment requested                      | Jan 2022    |
| Preliminary Assessment returned                       | Feb 2022    |
| Modification discussed at Working Group               | 2 Mar 2022  |
| Update provided to CSC                                | 15 Mar 2022 |

## 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  |
| 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                                      |
| TABASC   | Technical Architecture and Business Architecture Sub-Committee |
| WAN      | Wide Area Network  |