



Department for
Business, Energy
& Industrial Strategy

Department for Business,
Energy & Industrial Strategy
1 Victoria Street,
London SW1H 0ET

www.gov.uk/beis

The Authority (Ofgem), the SEC Panel, SEC Parties and other interested parties 30 January 2018

Dear Colleague,

SMART METERING IMPLEMENTATION PROGRAMME CONSULTATION ON INCORPORATION OF THE SEC VARIATION TESTING APPROACH DOCUMENT (SVTAD) FOR RELEASE 2 WITHIN THE SMART ENERGY CODE (SEC)

1. This letter constitutes a consultation on the proposed timing for incorporation into the SEC of the SVTAD for Release 2: designating v1.5 of the SVTAD (**Annex A** of this letter) as Appendix AJ of the SEC. We also invite views on additional drafting within the document that was incorporated subsequent to DCC's consultation.
2. DCC has also submitted to the Secretary of State versions of the Approach Documents for Release 2 System Integration Testing (SIT) and Device Integration Testing (DIT)¹ following review by the Testing Advisory Group (TAG) and the SEC Panel. On 8 December 2017 the SEC Panel recommended that the Secretary of State approve the entry and exit criteria in these documents, as well as making certain observations. We are grateful for the assistance of the TAG and SEC Panel in this matter, and intend to approve the Approach Documents for SIT and DIT when we designate the SVTAD. We note that DCC intends to submit further Testing Phase Approach Documents to the Secretary of State for approval, including for User Integration Testing. We also note from discussions regarding exit criteria for User Integration Testing at TAG that there may be further changes to the SVTAD once designated.

Facilitating the delivery of Release 2.0

3. The Secretary of State directed DCC to develop an SVTAD for Release 2.0 on 23 February 2017. In accordance with the SEC, DCC has consulted on the

¹ For reference the SIT and DIT documents can be found at <https://smartenergycodecompany.co.uk/latest-news/smart-metering-consultation-on-incorporating-sec-variation-testing-approach-document-svtad-into-the-sec-for-release-2/>

SVTAD (consultation published on 21 July 2017), and on 8 December 2017 submitted version v1.5 to the Secretary of State for approval. In its submission the DCC has indicated why it considers the document to be fit for purpose and provided the information required on its consultation process.

4. Subsequent to the DCC consultation process, but prior to final review by TAG and the SEC Panel, an additional provision was included within the SVTAD. The new provision (at Section 8.5 of the document) is:

The SEC Panel and/or Parties shall provide such reasonable support and assistance that is requested from them by the Secretary of State in relation to:

- *The Secretary of State's decision to make (or bring into legal effect) any of the SEC variations associated with Release 2.0; and/or*
- *The administration of any Baseline Margin Project Performance Adjustment Scheme (having the meaning given to that term in the DCC Licence) relating to Release 2.0, including as set out in any BMPPA Scheme Principles (also having the meaning given to that term in the DCC Licence).*

These changes enable the expertise of the Panel and Parties to be utilised to inform these activities. Through this letter we are seeking stakeholders' views on these proposed additional provisions.

5. Subject to stakeholder views on the new provision, we are satisfied that the DCC has carried out the appropriate consultation required of it and we propose to incorporate this SVTAD version v1.5 into the SEC. The draft legal direction text is provided at **Annex B**.

Timing

6. The proposed designation date for the incorporation of this SVTAD version v1.5 is **22 February 2018** (or, if necessary, as soon as reasonably practicable within one month thereafter), which will also be the date from which it has legal effect.

We would welcome views on:

- i. **the proposed additional provision set out above; and**
- ii. **the proposed designation date for the incorporation and effective date of this SVTAD version v1.5 of 22 February 2018 (or, if necessary, within one month thereafter).**

Responding to this consultation

Comments on these proposals should be submitted **by 17:00 on 13 February 2018** to: smartmetering@beis.gov.uk or addressed to:

Smart Metering Implementation Programme – Regulation,
Department for Business, Energy & Industrial Strategy,
5th Floor, Orchard
1 Victoria Street,
London SW1H 0ET

Information provided in response to this consultation, including personal data, may be subject to publication or release to other parties, or to disclosure in accordance with the access to information regimes (these are primarily the Freedom of Information Act 2000, the Data Protection Act 1998 and the Environmental Information Regulations 2004).

BEIS may publish the individual responses to this consultation and you should therefore let us know if you are not content for your response or any part of it to be published. If you indicate that you do not want your response published, we will not publish it automatically but it could still be subject to information requests as detailed above. If you do not want your individual response to be published, or to otherwise be treated as confidential, please say so clearly in writing when you send your response to the consultation. For the purposes of considering access to information requests, it would also be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded by us as a confidentiality request.

Yours faithfully,



Duncan Stone
Head of Delivery
Smart Metering Implementation Programme

List of Annexes to this letter

- | | |
|----------------|---|
| Annex A | SEC Variation Testing Approach Document v1.5 [Separate] |
| Annex B | Draft Legal Direction Text |

ANNEX B

Direction and designation

This direction is made for the purposes of the smart meter communication licences granted under the Electricity Act 1989 and the Gas Act 1986 (such licences being the "**DCC Licence**") and the Smart Energy Code designated by the Secretary of State pursuant to the DCC Licence (such code being the "**SEC**").

Words and expressions used in this direction shall be interpreted in accordance with Section A (Definitions and Interpretation) of the SEC.

Designation of new SEC Subsidiary Document

1. Pursuant to Condition 22 of the DCC Licence and Section X5 (Incorporation of Certain Documents into this Code) of the SEC, the Secretary of State directs that, with effect from **[22 February 2018]**, the document set out at **Annex [X]** in this direction is hereby designated for incorporation as a **SEC Variation Testing Approach Document**, and shall be incorporated into the SEC as Appendix AJ.
2. Pursuant to Section X3.2(b) (Effective Dates) of the SEC, the Secretary of State hereby designates **[22 February 2018]** as the date from which this SEC Variation Testing Approach Document shall have legal effect.
3. Pursuant to Condition 22 of the DCC Licence and Section X5.6 (Supplementary Provisions) of the SEC, Section A1 (Definitions) of the SEC is hereby amended by replacing the words "Appendix [TBC]" in the definition of SEC Variation Testing Approach Documents with the words "Appendix AJ".

This direction is also being notified to the SEC Administrator and an updated version of the SEC to reflect these changes will be available on the SEC website in due course.