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# MP169

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

### Modification Report

Version 0.4

**28 July 2022**



## About this document

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This document is a 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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This document also has one annex:

- **Annex A** contains the business requirements for the solution.

## Contact

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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 causing 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 Change Sub-Committee (CSC) 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. SECAS will raise this for discussion at the Cross-Code Steering Group (CCSG).

#### **TABASC views**

The Technical Architecture and Business Architecture Sub-Committee (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. During the Refinement Consultation SECAS will request that Suppliers provide any data they have on the number of refusals they receive.

### **Solution development**

#### **Consumer advice**

During the Development Stage the Proposer noted that consumer representative websites were advising consumers who wished to refuse the installation of a Smart meter, or to replace their existing Smart meter, to contact their Suppliers to have legacy meters installed. While this is technically possible it is not a sustainable solution; as manufacture of these Devices becomes scarcer the price will increase and this will be borne by the consumer. The websites also advised consumers they can have Smart meters installed with the Smart functionality 'turned off', which there is no way of doing within the Install and Commissioning procedures in the SEC.

SECAS liaised with the consumer representatives and Ofgem to revise the drafting of this consumer advice to more accurately reflect the options available.

#### **All reasonable steps**

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. However, as customers cannot be left without a functioning meter, there are limited options available should a Smart meter installation be refused.

The TABASC Chair 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.

Ofgem advised they would not approve any solution which could undermine 'all reasonable steps' to install a Smart meter in a communicative state. SECAS and the Proposer will develop a Proposed Solution which constitutes an additional step to be taken once 'all reasonable steps' have been exhausted.

The Chair of the Operations Group (OPSG) suggested that the SEC is about Smart metering. Enabling Suppliers to 'turn off' a Smart meter may be extending the scope of the SEC beyond the original intentions. The Proposed Solution will look only at how communication with Devices may be selectively reduced for consumers who would otherwise refuse Smart meter installation.

### Removal of Communications Hubs

During the Development Stage the Proposer noted that some Suppliers are attempting to comply with consumer wishes to have Smart meters installed in a non-communicative state by not commissioning the Communications Hub or by physically removing the Communications Hub.

The TABASC noted concerns 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.

The DCC and its Service Providers highlighted that any solution that involved removing the Communications Hub would prevent any 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, but not to identify if this was intentional.

SECAS and the Proposer will develop a Proposed Solution which aligns with the SEC processes for installing and commissioning Communications Hubs, and which does not require their removal. The Proposed Solution will also introduce the ability to discern between Devices which are non-communicating due to a fault or due to consumer choice.

## Appendix 1: Progression timetable

SECAS will present this modification to the Working Group on 5 October 2022 for discussion. Following this, SECAS will request a DCC Preliminary Assessment.

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

Timetable	
Event/Action	Date
Business requirements discussed at TABASC	Jan 2022
Business requirements developed with the Proposer	May – Jul 2022
Business requirements discussed with Device Manufacturers	2 Aug 2022
Business requirements discussed at TABASC	4 Aug 2022
Business requirements discussed at SSC	14 Sep 2022
<i>Modification discussed at Working Group</i>	5 Oct 2022
<i>Preliminary Assessment requested</i>	6 Oct 2022
<i>Preliminary Assessment returned</i>	3 Nov 2022
<i>Modification discussed at Working Group</i>	7 Dec 2022
<i>Refinement Consultation</i>	8 Dec 2022 – 5 Jan 2023
<i>Update provided to CSC</i>	20 Dec 2022

*Italics denote planned events that could be subject to change*

## 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
CCSG	Cross-Code Steering Group
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
OPSG	Operations Group
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