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## MP169 ‘Managing SEC Obligations and the Consumers right to refuse a Smart Meter’

### November 2023 Working Group – meeting summary

#### Attendees

Attendee	Organisation
Rachel Black (RBL)	SECAS
Ben Giblin (BG)	SECAS
Alison Beard (AB)	SECAS
Elizabeth Woods (EW)	SECAS
Anik Abdullah (AA)	SECAS
Kev Duddy (KD)	SECAS
Bradley Baker (BB)	SECAS
Mohammedanwar Sumro (MS)	SECAS
Simon Grimwood (SG)	SECAS
David Walsh (DW)	DCC
Robin Seaby (RS)	DCC
Gary Stuart (GS)	DCC
Chris Thompson (CT)	DCC
Patricia Massey (PM)	BEAMA
Beth Tatton (BT)	Calvin Capital
Ian Lovatt (IL)	Chameleon
Emily Stone (ES)	Citizens Advice
Amy Cox (AC)	EDF
Daniel Davies (DD)	ESG
Martin Bell (MB)	EUA
Kelly Kinsman (KK)	National Grid Electricity Distribution
Stuart Blair (SB)	Northern Powergrid
Ralph Baxter (RB)	Octopus Energy
Joey Manners (JM)	Octopus Energy
Audrey Smith-Keary (ASK)	OVO
Stephen McLaughlin (SM)	Scottish Power
Jeff Studholme (JS)	Smart Meter Assets
Joanne Rush (JR)	SSE Energy Solutions
Shuba Khatun (SK)	SSEN

Attendee	Organisation
Nik Wills (NK)	<b>Stark</b>
Kevin Clark (KC)	<b>Utilita</b>

## Overview

The Smart Energy Code Administrator and Secretariat (SECAS) provided an overview of the issue, impact and the proposed solution.

## Issue

Suppliers are receiving an increasing number of requests from Consumers to have Smart Meters installed in 'dumb' mode. Suppliers have obligations to ensure the Smart Metering System is installed and communicating, meaning there is no concept in the SEC for a Device to be installed in 'dumb' mode.

## Impact

Consumer demands for a Smart Meter to be installed in 'dumb' mode cannot be met by Suppliers without deliberate non-compliance with their SEC and Supply Licence Conditions.

## Proposed Solution

The Proposed Solution would introduce a Restricted Mode on Devices which are SMETS2+ only. This would be set by the installing Supplier via the Self-Service Interface (SSI) and would limit the number of Service Request Variants (SRVs) which can be delivered to or from the Device. The Proposer would like all SRVs pertaining to Consumption Data to be unable to be collected from the Device. This solution would act as an additional step to Suppliers 'all reasonable steps' obligations.

## Preliminary Assessment summary

The second iteration of the Preliminary Assessment returned costs for Design, Build and Pre-Integration Testing (PIT) of between £351,000 and £750,000. Costs for a full Impact Assessment are £16,684 and the DCC requires a lead time of six months before this modification can be implemented.

## **Working Group Discussion**

SECAS (BG) provided an overview of the modification, noting the issue, Proposed Solution and a summary of the two Preliminary Assessments.

### **What actions would a Supplier need to take upon a Change of Tenancy (COT)?**

SECAS (AA) questioned what actions a Supplier would need to take during a COT or Change of Supplier (COS). DCC (RS) noted that Suppliers would need to set or remove the Restricted flag via the Self-Service Interface (SSI) and that this would need to be built into standard business processes when managing these Devices.

### **How would a Supplier identify if a Device is in Restricted mode in a COS?**

DCC (RS) commented that the status of the Device will be available in the Smart Metering Inventory (SMI), the Restricted Mode will also show as the Device Status and any SRVs pertaining to Consumption Data will not be allowed to be collected from the Device. (JM) suggested that many Suppliers conduct checks on Consumers before they bring them onto their supply, such as checking if the Device is pre-payment, and as such these checks would be completed at the same time.

### **Which SRVs will be allowed to be sent to a Device in Restricted Mode?**

(DD) noted that from the list of Allowed SRV's that SRV 2.2 'Top Up Device' had not been included and questioned how Consumers could top-up without this. They also added that the list of SRV's suggested that the meter was still operating in a semi-smart mode, yet Consumers were being informed that it was not. (IL) questioned whether the ability to maintain Devices would be allowed as part of this modification. The DCC and SECAS confirmed that firmware upgrades will be allowed.

## **Business Case**

Several Working Group members highlighted that the targeted implementation date for this modification is close to the targeted end date of the smart meter rollout in 2025. They noted that the Restricted flag could be applied retrospectively to SMETS2+ Devices which have already been installed and that it is very likely the existing targeted end date for installing Smart Meters will be extended. Working Group members also discussed the Net Zero benefits for this modification, noting that a Device can easily have the Restricted flag removed. In addition, DCC confirmed that the In-Home Display (IHD) and Prepayment Metering Interface Device (PPMID) would be commissioned as part of the installation process before the Restricted flag was applied. In turn, this means that Consumers will still be able to receive some benefits of having Smart Meters installed. (AC) suggested that despite these benefits, Consumers who have Smart Meters are unlikely to change their view or move property frequently, meaning that the Device would remain in a state which does not have wider net zero benefits for long periods.

(JS) noted that to calculate the business case for this modification, SECAS could explore the number of COTs which lead to smart meter removals and examine the costs of the modification against the cost of these removals.

## Unintended consequences of implementing MP169

Many Working Group members noted that there are a number of unintended consequences from implementing MP169. They noted that the modification may convince some Consumers who previously refused to have a Smart Meter installation appointment. However, if knowledge of Restricted Mode becomes widespread with Consumers then this could lead to very high numbers of Smart Meters in Great Britain being operated in Restricted mode.

## Regulation gap

A large number of Working Group members noted that the issue could be resolved by mandating Smart Meters. Members noted that traditional meters are running low in stock and will eventually run out, at which point issues will arise with Consumers who refuse a Smart Meter. (JS) noted news articles relating to the force-fitting of prepayment meters and that they could not envisage a scenario where mandated Smart Meters are government policy. (RB) noted that in previous discussions with DESNZ it was clear that they would not mandate Smart Meters. They added that the issue they believed the Proposer was experiencing was that appeals were going to the Ombudsman who was informing Suppliers to install in 'dumb mode' which does not exist. SECAS (BG) added that work is already taking place with Citizens Advice and the Ombudsman to alter wording on their websites, having already agreed that the wording is misleading for Consumers.

## Modification Name Change

Two Working Group members stated that they found the title of the modification confusing and suggested that it could be altered to align with the proposed solution. (KD) noted these comments, noting that the modification title is given when raised as a Draft Proposal and focused on the issue, not the solution to introduce a Restricted Mode to Devices.

## Parallels with water industry

(IL) questioned whether any lessons could be learnt from the water industry. They noted that there could be some indirect legislation, whereby when a traditional meter needs to be replaced then a Smart Meter must be installed. (AC) added that this was already being done by Suppliers and could be explored further. (MB) noted that in the water industry, estimated bills could lead to customers paying extra for their usage, as this is done on an area basis and this could not be applied to the SEC. They added that no Supplier would charge different rates for traditional and Smart Meters, as well as no political party forcing Consumers to have Smart Meters.

## Next Steps

The following actions were recorded from the meeting:

- SECAS (BG) to work with Citizens Advice and the Ombudsman to alter the wording on their websites to reflect more accurately what a Supplier can do when installing a Smart Meter.
- SECAS (BG) to examine the Licence conditions between the Suppliers ability to install a Smart Meter and the Consumers right to refuse.

- SECAS (BG) to examine whether the title of the modification can be altered to make it more reflective of the Proposed Solution.
- SECAS (BG) to present the discussions at the Working Group to OFGEM.
- SECAS (BG) to review the list of SRVs for potential amendments.