



The Authority (Ofgem), the SEC Panel, SEC Parties and other interested parties 4 October 2018

## **SMART METERING IMPLEMENTATION PROGRAMME: RESPONSE TO THE CONSULTATION ON THE FINAL SMETS1 AND ADVANCED METER EXCEPTION END DATES, AND DRAFT LEGAL TEXT**

### **Introduction**

1. On 3 July 2018, the Government issued a consultation<sup>1</sup> which sought your views on setting the final date beyond which only second generation (SMETS2) meters can be installed and count towards an energy supplier's 2020 rollout duty. This is generally referred to as the 'SMETS1 end date'.
2. We also consulted on proposals – (a) to give more time for installing first generation (SMETS1) prepayment meters, (b) to align the end date for the Advanced Meter Exception with the final SMETS1 end date, and (c) to align existing SMETS1 end date derogations with the final SMETS1 end date. The consultation closed on 14 August 2018 and this letter sets out the Government's decisions taking account of the responses we received and wider evidence. A summary of the 48 consultation responses and our consideration of these is set out at Annex A.

### **Decisions**

3. I would like to thank all respondents to the consultation for taking the time to respond. A majority of respondents agreed with our proposal that the final SMETS1 end date should be two months later than our most recent minded-to position of 5 October 2018. It is also clear that a number of respondents would like an end date later than 5 December 2018 to provide even more time to transition to SMETS2.
4. The Government's role is to protect the interests of consumers (including those that are vulnerable) who are at the heart of the smart meter rollout as we seek to deliver the Programme benefits and a positive consumer experience of smart metering. It has been our longstanding position that transitioning to the exclusive installation of SMETS2 meters as soon as possible will help achieve this aim; over time, we have considered our minded-to position on the SMETS1 end date in recognition of impediments outside of

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<sup>1</sup> <https://smartenergycodecompany.co.uk/latest-news/beis-consultation-on-extention-of-smets1-end-date/>

energy suppliers' direct control. We wish to minimise the risk of a hiatus in delivery as far as possible, but equally given our longstanding position we must balance this against avoiding unfairly prejudicing those energy suppliers that have accordingly made investment decisions and transition plans.

5. As indicated in the consultation, Government is seeking to make sure that those energy suppliers accounting for the majority of SMETS1 deployments have a reasonable window to manage their transition in the absence of industry-wide impediments (that is, external factors that would prevent any energy supplier from transitioning).
6. The evidence in response to the consultation, together with our own updated assessment of industry readiness to move to SMETS2, show that there are no industry-wide impediments to transitioning to SMETS2 meters. We have also seen good progress over the summer, with over 47,000 SMETS2 meters having been installed as at the end of September 2018. Progress to date has been slower in the North region due to factors such as the stability of the communications hub which has been addressed via updated communications hub firmware; and pre-existing radio frequency performance of some makes of SMETS2 meters which we expect relevant energy suppliers and meter manufacturers to resolve. Overall, in confirming the final end date as proposed, we consider that the majority of the energy suppliers accounting for most SMETS1 installations should be in a position to make a successful transition to SMETS2.
7. I therefore confirm that the final SMETS1 end date, to be set in the Smart Energy Code, will be **5 December 2018**. We expect that all SMETS1 capable meters will be made compliant by this date.
8. The Advanced Meter Exception end date for energy suppliers to non-domestic premises is subject to similar considerations in respect of the readiness of SMETS2 systems, so I confirm that this end date will also be **5 December 2018**.
9. We will align the timeframe of the existing derogations from the SMETS1 end date granted to some energy suppliers with the final SMETS1 end date. This proposal was welcomed by energy suppliers with these derogations and their timeframe will be amended to run from **6 December 2018** to **15 March 2019**.
10. Recognising that most energy suppliers have made less progress towards transitioning to SMETS2 meters for prepayment customers, we consulted on allowing energy suppliers longer to achieve their SMETS1 prepayment meter transition. In response to this proposal, stakeholders agreed that the testing and deployment of SMETS2 in prepayment mode will take longer than credit, and a later SMETS1 end date of 15 March 2019 for prepayment meter replacements was welcomed. Some energy suppliers requested clarification on the legal drafting to ensure that credit customers wanting to switch to a smart meter-enabled prepayment contract during this additional time can do so. We have modified the legal drafting accordingly.
11. For prepayment customers, who are more likely to be disabled or otherwise vulnerable, the consequences of immature services could more directly affect their consumer experience than for credit customers. We have seen over the summer that energy suppliers have continued to prioritise their SMETS2 credit transition, and plan to build the additional prepayment requirements on top of this. This reinforces the importance of

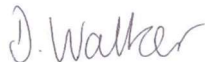
providing more time for the prepayment transition so as to help avoid the risk of a hiatus. We will therefore lay before Parliament draft modifications to the Smart Energy Code that allow us to set a later SMETS1 prepayment end date of **15 March 2019**.

12. In summary, we assess that these decisions will deliver a smoother transition to SMETS2 meter deployments and best support the overall implementation of the Programme and the realisation of the additional benefits of SMETS2 to consumers, including vulnerable consumers.

### **Implementation**

13. The Direction re-designating the TS Applicability Tables in the Smart Energy Code with a General Installation End Date of 5 December 2018 is attached to this letter at Annex B. The Direction giving effect to the deferred Advanced Meter Exception end date of 5 December 2018 is attached at Annex C. The draft modifications allowing the later SMETS1 end date for prepayment meter replacements to be set are intended to be laid before Parliament on 9 October 2018. Subject to the successful completion of this process, we will then issue a direction re-designating the TS Applicability Tables with a PPM Installation End Date of 15 March 2019. The draft legal text and draft amended TS Applicability Tables are attached at Annex D and Annex E respectively. Amended derogations from the general SMETS1 end date are being issued today to relevant energy suppliers, and redacted versions (for commercial in confidence reasons) will be made available on the SECAS website.

Yours faithfully,



**Daron Walker**

Director of Smart Meters and Systems

(an official of the Department for Business, Energy & Industrial Strategy authorised to act on behalf of the Secretary of State)

## Annex A

### SUMMARY OF CONSULTATION RESPONSES AND CONSIDERATION

14. The consultation closed on 14 August 2018 and we received a total of 48 written responses from the following organisations:

Category	Respondent	
Consumer Group (1)	Citizens Advice	
Delivery Partner (1)	Trilliant	
DNO/GDN (6)	Cadent Gas Electricity North West Northern Powergrid	SP Energy Networks UK Power Networks Western Power Distribution
MAP/MOP (9)	Calvin Capital Energy Assets Foresight Metering IMServ National Grid Smart	Northern Powergrid Metering Ltd Siemens Smart Energy Networks SMS PLC
Other (3)	Chameleon Technology Stark uSwitch	
Energy Supplier (21)	Avid Energy Bristol Energy Centrica Crown Gas and Power E EDF Energy ENGIE EON ESB Energy First Utility Good Energy	npower Scottish Power Solarplicity Spark Energy SSE Tonik energy TruEnergy USIO energy Utilita Utility Warehouse
Trade Body (7)	AIMDA BEAMA Energy and Utilities Alliance Energy UK	ESTA energy ICoSS Solar Trade Association

15. The following questions were posed in the consultation:

Summary of consultation questions	
<b>Q1</b>	Do you agree with the proposal that the final SMETS1 end date should be 5 December 2018? If not, please provide supporting evidence and commentary.

<b>Q2</b>	Do you agree with the proposed date of 10 September 2018 (or as soon as reasonably practicable within one month thereafter) for re-designation of the TS Applicability Tables to include the final SMETS1 end date?
<b>Q3</b>	Do you agree with the proposal to provide further time, beyond the general SMETS1 end date, for prepayment meter replacements?
<b>Q4</b>	Do you agree that the legal drafting implements the policy intent? (see Annex B)
<b>Q5</b>	Do you agree with the proposal to defer the Advanced Meter Exception end date in line with the wider SMETS1 end date?
<b>Q6</b>	Do you agree with the proposal to extend the time limits of the existing SMETS1 derogations, and to account for the proposed prepayment extension?

## SECTION 1: GENERAL SMETS1 END DATE

<b>Q1</b>	Do you agree with the proposal that the final SMETS1 end date should be 5 December 2018? If not, please provide supporting evidence and commentary.
<b>Q2</b>	Do you agree with the proposed date of 10 September 2018 (or as soon as reasonably practicable within one month thereafter) for re-designation of the TS Applicability Tables to include the final SMETS1 end date?

### Summary of responses

16. Of the 42 respondents who addressed question 1, 22 were in broad agreement with the proposal, noting that it would offer a more realistic opportunity and additional time for energy suppliers to plan a smoother transition to SMETS2 meters. A further 20 respondents disagreed, and of those, 16 thought the SMETS1 end date should be extended beyond 5 December 2018 some way into 2019. The remainder argued that the SMETS1 end date should not be moved at all. Respondents typically highlighted the risk of a hiatus in the installation of new smart meter systems should the transition to SMETS2 meters not happen in time. Most respondents caveated their position with further narrative. Of the 31 respondents who addressed question 2, 21 agreed with re-designating the TS Applicability Tables and the urgency of concluding on the SMETS1 end date.
17. A range of both large and small energy suppliers supported the proposed final end date, although some expressed the view that this date should not be 'final' but remain under review in case an industry-wide impediment emerged. In contrast, a number of respondents accepted the rationale for a limited extension, as a good customer

experience could not otherwise be guaranteed at the required scale but did not want to see the SMETS1 end date extended again. There was consensus that confidence in an end date is important, and that it should not be moved again, to support proper forward planning and procurement and ensure resource plans are in place to support the roll-out at scale.

18. Respondents who disagreed with moving the SMETS1 end date argued that the number of SMETS1 meters installed should be minimised and that any extension disadvantages those energy suppliers who have chosen a SMETS2-only approach.
19. Stakeholders flagged several reasons as to why a smooth transition to SMETS2 installations requires an extension, and why in their view industry may not be ready to transition at volume by 5 December 2018, including:
  - DCC operational stability and continued presence of defects;
  - Some energy suppliers report a lack of availability of SMETS2 meters impacting installation volumes;
  - Lack of progress in CSP North due to: Comms Hub capability and availability; and the radio frequency performance of some makes of SMETS2 meters.
20. Other key issues raised were:
  - The need for clarity around the criteria for the chosen SMETS1 end date;
  - That small energy suppliers may be disadvantaged as they do not have derogations and so may shoulder the burden of any new technical issues encountered by the DCC when operating at scale;
  - That any increase in SMETS1 meters would have a knock-on effect on the programme to enrol SMETS1 meters in the DCC;
  - Uncertainty about the SMETS1 capable-to-compliant deadline.

### **Government response**

21. The Government's consistent rollout strategy since 2012 has been to maximise the efficient installation of SMETS2 meters to provide consumers, including vulnerable consumers, with the additional benefits of such meters. Because of the extra costs and prejudice that would arise from further delay, and in the absence of market-wide reasons to extend the date further, we consider that setting a final SMETS1 end date of 5 December 2018 is justified. This meets the public interest objectives of the Programme by securing the additional benefits of SMETS2 meters at the earliest realisable point, and so delivering cost savings and efficiencies from smart interoperable systems and switching opportunities. Transitioning to SMETS2 as soon as possible has been our longstanding policy position and our decision avoids unfairly prejudicing those energy suppliers that have accordingly made investment decisions and transition plans.
22. We acknowledge concerns that setting a 'final' date risks a hiatus if an industry-wide impediment emerges. However, we consider that the issues emerging via robust and strong testing and piloting since DCC Live in late 2016 are now resolved sufficiently to allow for scaled installations of SMETS2 meters at volume. Allowing room for a further move in the SMETS1 end date at this point would undermine the clarity industry are

agreed they need to support their planning and investment decisions, and so any further issues which emerge will need to be accommodated within energy suppliers' own transition plans. We would encourage all energy suppliers to accelerate their transitions to SMETS2 meters so as to maximise consumer benefits.

23. Our assessment of the overall readiness to transition for SMETS2 credit meters is that for credit customers there has been good progress during July and August particularly in the Central & South regions, which together account for two-thirds of all customers. We are confident that several large energy suppliers are likely to make a successful transition to SMETS2 in the time available. The increased volume of installations provides greater confidence in DCC's ability to support installations at scale. We are continuing to see an increase in the rate of installations, which provides further evidence that the DCC is able to scale its systems to support the requirements of energy suppliers. Energy suppliers that have chosen to transition from piloting to ramp-up of SMETS2 meters have not been constrained by DCC performance.
24. We acknowledge that slower progress has been made in the North region due to several factors. Energy suppliers have been cautious about increasing installations in CSP North due to pre-existing radio frequency performance of some makes of SMETS2 meters. We expect energy suppliers and meter manufacturers to continue to work together constructively on meters that do not currently meet performance standards.
25. Respondents also highlighted specific concerns within CSP North about HAN and WAN stability. In July 2018, updated firmware for CSP North Comms Hubs became available, and testing and more experience of in-home installations has since confirmed that this upgrade addressed the previous stability issues. As of 16 August 2018, when an industry-convened meeting so confirmed, there are no further barriers to piloting and ramp-up. We expect that energy suppliers should now be in a position to increase the number of installations in CSP North.
26. On SMETS2 meter availability, we understand that energy suppliers have contracted with meter manufacturers to deliver at volumes based on timelines that will enable those energy suppliers to successfully transition to SMETS2, meeting the dates proposed in the consultation.
27. We respond to some of the other key issues raised in the paragraphs below.
28. SMETS1 end date criteria: The Government regularly engages with the energy suppliers responsible for the majority of current smart meter deployments, and we selected the final SMETS1 end-date following an assessment of their readiness and progress to transition to SMETS2 alongside an assessment of industry-wide impediments. We disagree with the view expressed that the Government should publish a 'check-list' of criteria to confirm when such a transition is viable for all energy suppliers. It is and always has been for energy suppliers to plan and manage their transition to SMETS2 as part of their rollout duty. The Government has sought to signal well in advance when installations of SMETS1 meters would no longer be expected to contribute to meeting their roll-out duty, even if the final end date has not yet been fixed. This was to allow energy suppliers to efficiently plan and manage the transition by ceasing orders of SMETS1 meters, using up stock and retraining their meter installers. Through the

consultation, we sought views on providing further limited accommodation where justified on a market-wide basis. It is at energy suppliers' own discretion to determine the pace of their transition on the basis of their own criteria, risk appetite and corporate strategies.

29. Smaller energy suppliers: a number of these do not have significant SMETS1 programmes and so comparatively, the cut-over to SMETS2 should not be material. We also disagree with the view expressed that as a result of large energy suppliers having derogations, smaller energy suppliers are shouldering the burden of SMETS2 testing and development. A number of large energy suppliers have been at the forefront of testing and piloting to enable the ramp-up and transition to SMETS2 meters.
30. SMETS1 enrolment: A SMETS1 enrolment consultation decision document is being published alongside this letter, confirming that DCC will need to provide enrolment services to two thirds of the SMETS1 meter cohorts. We expect to publish a further consultation on remaining meter cohorts later this year. This cohort decision document sets out why BEIS has confidence in the technical and commercial viability of the enrolment programme.
31. SMETS1 capable-to-compliant deadline: In my letter of 18 January 2018, Government made clear its expectation that all 'capable' meters would be made 'compliant' by the 'general SMETS1 end-date'. As confirmed in this response, this end-date will be 5 December 2018. Any meters not made compliant by this date will not count towards energy suppliers' 2020 rollout duty.

## SECTION 2: END DATE FOR PREPAYMENT METER REPLACEMENTS

<b>Q3</b>	Do you agree with the proposal to provide further time, beyond the general SMETS1 end date, for non-smart, prepayment meter replacements?
<b>Q4</b>	Do you agree that the legal drafting implements the policy intent?

### Summary of responses

32. Of the 37 respondents addressing question 3, 29 agreed with the proposal. A further six respondents disagreed and the other two were neutral. Those disagreeing set out why, in line with views expressed on the general SMETS1 end date, this new end date provided insufficient time to head off a hiatus in service delivery. 26 respondents addressed question 4 with 23 responses agreeing that the legal drafting implements the policy intent. The other three were neutral. Some respondents expressed a concern that the proposal as drafted would prevent energy suppliers from moving credit customers to smart prepayment services between 5 December 2018 and 15 March 2019. This was of particular concern to those energy suppliers without a derogation, given the lack of prepayment SMETS2 maturity.



33. There was broad agreement that a later SMETS1 end date of 15 March 2019 for prepayment meter replacements would provide time for SMETS2 prepayment functionality to be tested, allowing proper piloting and industry to gain confidence in operations to ensure consumer protections and the ongoing availability of remote payment options to this key sector of the domestic market. One large energy supplier noted that this was a 'pragmatic approach to permitting resolution of known prepayment testing issues such that we are establishing our prepayment capability on top of a proven credit capability'.
34. Several respondents requested more explanation of the evidence the Government considered in support of the proposal to introduce a separate and later end date for SMETS1 prepayment. A few stakeholders stated that the Government provided insufficient evidence as to how the 15 March 2019 date was determined, and others thought this was an insufficient extension to the general end date. Respondents noted the lack of availability of dual band communications hubs and asserted that the radio frequency performance of some makes of SMETS2 meters in CSP North would prevent progress on SMETS2 prepayment.
35. A number of stakeholders expressed the view that 15 March 2019 was an appropriate end date to apply to all SMETS1 meters and backed retaining a single end date. From both an energy supplier and a MOP/MAP perspective, this was considered to offer greater simplicity in terms of operational planning (asset ordering, simultaneously stocking and deploying a variety of meter types using different commissioning systems). Respondents also noted the potential difficulty in monitoring a separate SMETS1 prepayment end date.

### **Government response**

36. As noted above, the Government regularly engages with the energy suppliers responsible for the majority of current smart meter deployments. To support the proposed SMETS1 prepayment end date we assessed their readiness and progress to transition to SMETS2 meters for both credit and prepayment customers. As noted in the consultation, those energy suppliers responsible for the majority of smart prepayment deployments had made less progress than they expected compared to when we previously reviewed their plans. We have considered the relative progress made in testing prepayment functionality, along with pilot plans and the maturity of meter firmware. It was evident that SMETS2 prepayment was less mature than credit and that on average, for those energy suppliers with active SMETS1 credit and prepayment smart meter deployments, the transition to SMETS2 for prepayment is running approximately 3 months behind equivalent stages of the credit transition. In light of this analysis, 15 March 2019 was selected as an appropriate end date for SMETS1 prepayment consistent with the expected timings for energy suppliers' SMETS2 transition for prepayment.
37. We note that dual band capability is not an essential prerequisite for SMETS2 prepayment. Rather, an energy supplier needs a functioning SMETS2 meter and a PPMID. We assess many energy suppliers are already developing an interface between payment providers and their DCC adaptor in order to generate UTRNs. We understand this interface is already largely built and being tested. We acknowledge that the radio

frequency performance of some makes of SMETS2 meters may present a risk to installing prepayment meters in some properties. However, we also expect that energy suppliers and meter manufacturers will continue to work constructively on meters that do not currently meet performance standards.

38. End date simplicity is a valid concern; however, it should be possible to at least monitor the meter type being replaced where it is already prepayment, and MOPs should already be preparing to handle varied stock as SMETS2 installations increase in parallel with a ramp down in SMETS1. We do not agree that this should have a material bearing on the decision we have taken to enable a separate prepayment SMETS1 end date. It is also our view that with the SMETS1 credit end date fixed as 5 December 2018, allocating additional time to prepayment will enable energy suppliers to focus on delivering a transition to a SMETS2 prepayment service.
39. We note concerns that the legal drafting only extended to prepayment meter replacements and so unfairly ruled out certain consumer categories. We agree and have now amended the drafting so that it captures circumstances where consumers proactively choose prepayment tariffs, or these are needed to be taken on for debt recovery purposes. We assess that this could very marginally increase the overall number of SMETS1 meters installed.
40. We received one comment requesting clarification on TS Applicability Tables entries that would be struck through. We confirm that this relates to entries with a Maintenance End Date or GBCS Applicability Period End Date that are no longer applicable. This should be visible in the Direction attached at Annex B.

### **SECTION 3: ADVANCED METER EXCEPTION END DATE**

<b>Q5</b>	Do you agree with the proposal to defer the Advanced Meter Exception end date in line with the wider SMETS1 end date?
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#### **Summary of responses**

41. Twenty-seven of 33 respondents to this question agreed with the proposal, noting this was consistent with previous changes. Five respondents disagreed with the proposal, arguing that the AME end-date be deferred indefinitely or removed so that all non-domestic consumers would continue to have a choice between Advanced Meters and SMETS meters.
42. Many respondents also raised concerns about a lack of meter availability – energy suppliers noted that variant SMETS2 meters would not be available until at least Q4 2018, rather than Q3 2018 as had been expected at the point of consultation.

## Government response

43. In March 2018, we set out the Government's policy to enable non-domestic consumers' access to the full benefits of smart meters, whilst recognising the diverse nature of these energy users. As a result, any energy supplier to non-domestic premises is required to use the DCC for the operation of SMETS2 meters, and from the Advanced Meter Exception end date must offer a microbusiness a smart meter instead of an Advanced Meter. In light of this and considering the responses we received, we intend to align the Advanced Meter Exception end date with the final SMETS1 end date of 5 December 2018.
44. We acknowledge that the availability of variant SMETS2 meters (and in particular polyphase SMETS2 meters) has been delayed beyond Q3 2018. This increases the risk of a short hiatus within the non-domestic sector. However, it is our view that this will likely be mitigated as we have confirmed previously that SME and larger business consumers can choose between an advanced meter and a smart meter. It is at these sites that we expect polyphase SMETS2 meters to be installed. The impact is further reduced due to lower numbers of non-domestic meters and the non-domestic sector having a smaller proportion of traditional meters left to convert.

## SECTION 4: EXISTING SMETS1 END DATE DEROGATIONS

Q6	Do you agree with the proposal to extend the time limits of the existing SMETS1 derogations, and to account for the proposed prepayment extension?
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## Summary of responses

45. Twenty-three of 35 respondents to this question were in agreement with the proposal. Respondents emphasised that the extended derogations would provide maximum opportunity for energy suppliers who have supported the smart meter roll out through heavy investment in SMETS1 meter deployments and credible transition plans to avoid incurring unnecessary costs. Ten respondents disagreed and typically called for the derogation process to be re-opened or a single SMETS1 end date of 15 March 2019. Respondents re-stated their concerns about the readiness of SMETS2 systems as set out against the general SMETS1 end date proposal.
46. Some energy suppliers highlighted that they would now be at a run rate higher than that when their original derogation volume was set, and also requested that derogations be adapted and extended to prepayment meters beyond 15 March 2019. Other stakeholders reiterated their SMETS1 end date response by detailing how they could face a hiatus in delivery, with associated layoffs, without a derogation. Several smaller energy suppliers requested that the derogation process be re-opened to allow applications from small and new energy suppliers, arguing that this would best support competition in the market. They asserted that it otherwise risks working to the advantage of larger energy suppliers with derogations.

## Government response

47. The Government is trying to ensure that those energy suppliers accounting for the majority of SMETS1 deployments have a reasonable opportunity to transition given sufficient notice, sufficient effort on their part and the absence of industry-wide impediments.
48. Our position remains that the derogation process was a one-off to support those energy suppliers who were planning material SMETS1 to SMETS2 transitions at the time. We have consistently stated that this is not a process that we will re-open. Derogations were granted or refused following an assessment of strict eligibility and approval criteria, with those energy suppliers granted derogations demonstrating a commitment to SMETS2 transition which any change in end date would not affect. We are not proposing either to change the basis on which derogations were granted or an increase in allowance for those with derogations. We are merely aligning the start of the derogation period with the final SMETS1 end date. We have therefore today issued amended derogations to existing recipients extending the end of the derogation period to 15 March 2019.

## SECTION 5: SUMMARY OF LEGAL TEXT AND NEXT STEPS

49. The final draft legal text is summarised below and attached in full at Annex D. The draft legal text will be laid before Parliament on 9 October 2018 in line with the procedure under section 89 of the Energy Act 2008.

### Summary of Legal Text (see Annex D for full version)

Smart Energy Code (SEC)  
Section A (SMETS1) A3.14

Provides a definition of 'PPM Installation End Date' Date' in the TS Applicability Tables for instances where a replacement meter will be operated in pre-payment mode.

### Annexes:

- Annex B:** Direction letter and Smart Energy Code Schedule 11 updated TS Applicability Tables
- Annex C:** Advanced Meter Exception final end date – Direction letter
- Annex D:** Draft Smart Energy Code Section A – modifications for enabling prepayment meter replacements to be installed beyond the general SMETS1 end date (attached separately)
- Annex E:** Draft Smart Energy Code Schedule 11 updated TS Applicability Tables

## **ANNEX B: DIRECTION TO RE-DESIGNATE THE TS APPLICABILITY TABLES**

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

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

Pursuant to Condition 22 (The Smart Energy Code) 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 **4 October 2018**, the TS Applicability Tables previously designated and incorporated into the SEC as Schedule 11 of the SEC are hereby re-designated in the form set out in **Annex B** of this direction.

For the avoidance of doubt, such re-designation of the TS Applicability Tables shall be without prejudice to anything done under the DCC Licence or the SEC on or after the documents first being designated, or to the continuing effectiveness of anything done under the documents prior to its re-designation (which shall have effect as if done under the re-designated document).

## Annex B: Updated TS Applicability Tables

### Table 1 SMETS1

SMETS Version	Installation Start Date	Installation End Date	Maintenance Start Date	Maintenance End Date	Relevant GBCS Version	Applicability Period Start Date	Applicability Period End Date
1.2	18/12/12	05/12/18	18/12/12	Not determined	Not applicable	Not applicable	Not applicable

### Table 2 SMETS2+ and Relevant Versions of GBCS

SMETS Version	Installation Start Date	Installation End Date	Maintenance Start Date	Maintenance End Date	Relevant GBCS Version	Applicability Period Start Date	Applicability Period End Date
<del>2.0</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>1.0</del>	<del>30/09/16</del>	<del>07/05/18</del>
2.0	30/09/16	Not determined	30/09/16	Not determined	1.1	06/11/17	Not determined
3.0	Not determined	Not determined	Not determined	Not determined	2.0	Not determined	Not determined
3.0	Not determined	Not determined	Not determined	Not determined	2.1	Not determined	Not determined
<del>4.0</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>3.0</del>	<del>Not determined</del>	<del>05/06/18</del>
4.0	Not determined	Not determined	Not determined	Not determined	3.1	Not determined	Not determined

**Table 3 CHTS and Relevant Versions of GBCS**

<b>CHTS Version</b>	<b>Installation Start Date</b>	<b>Installation End Date</b>	<b>Maintenance Start Date</b>	<b>Maintenance End Date</b>	<b>Relevant GBCS Version</b>	<b>Applicability Period Start Date</b>	<b>Applicability Period End Date</b>
<del>1.0</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>1.0</del>	<del>30/09/16</del>	<del>07/05/18</del>
1.0	30/09/16	Not determined	30/09/16	Not determined	1.1	06/11/17	Not determined
1.1	Not determined	Not determined	Not determined	Not determined	2.0	Not determined	Not determined
1.1	Not determined	Not determined	Not determined	Not determined	2.1	Not determined	Not determined
<del>1.2</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>3.0</del>	<del>Not determined</del>	<del>05/06/18</del>
1.2	Not determined	Not determined	Not determined	Not determined	3.1	Not determined	Not determined

**Table 4 GBCS and Relevant Versions of CPA Security Characteristics**

GBCS Version	Relevant Versions of CPA Security Characteristics
1.0	<p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Smart Metering – Communications Hub’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Electricity Smart Metering Equipment’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Gas Smart Metering Equipment’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Smart Metering – HAN Connected Auxiliary Load Control Switch’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p>
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2.0	<p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Smart Metering – Communications Hub’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Electricity Smart Metering Equipment’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Gas Smart Metering Equipment’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p> <p>The most recent Sub-Version of Principal Version 1 of the document entitled ‘CPA Security Characteristic: Smart Metering – HAN Connected Auxiliary Load Control Switch’ published on the CESG website at the time the relevant Device Model commences the CPA Certification or re-Certification process (as applicable).</p>
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## **ANNEX C: ADVANCED METER EXCEPTION DIRECTION LETTER**

The SRO's decision letter of today (4 October 2018) confirmed that the Advanced Meter Exception end date will be 5 December 2018. The direction below gives effect to that date using the powers given to the Secretary of State under energy supply licence conditions.

### **Direction**

#### Large and Small Energy Supplier Advanced Meter Exception End Date

This direction is made for the purposes of the electricity supply licences granted under the Electricity Act 1989 and the gas supply licences granted under the Gas Act 1986.

This direction relates to Smart Metering Systems (as defined in those electricity and gas supply licences) and concerns the date prior to which certain licensees can install Advanced Meters (as defined for the purposes of the relevant standard licence condition referred to below) at Designated Premises instead of Smart Metering Systems.

Under standard licence condition 39 of the electricity supply licences, the Secretary of State hereby directs that the date for paragraphs (a) and (b) of the definition of Relevant Date in paragraph 39.22 shall be **5 December 2018**.

Under standard licence condition 33 of the gas supply licences, the Secretary of State hereby directs that the date for paragraphs (a) and (b) of the definition of Relevant Date in paragraph 33.22 shall be **5 December 2018**.

This direction is also being notified to the SEC Administrator.

**Annex D: DRAFT SMART ENERGY CODE AMENDMENTS – modifications for enabling prepayment meter replacements to be installed beyond the general SMETS1 end date**

ATTACHED SEPARATELY

## Annex E: Draft Smart Energy Code Schedule 11 updated TS Applicability Tables

[NB this includes the PPM Installation End Date for illustrative purposes of what we expect the final TS Applicability Tables to look like; this column will only be designated after the completion of the Parliamentary process in late November 2018.]

**Table 1 SMETS1**

SMETS Version	Installation Start Date	General Installation End Date	PPM Installation End Date	Maintenance Start Date	Maintenance End Date	Relevant GBCS Version	Applicability Period Start Date	Applicability Period End Date
1.2	18/12/12	05/12/18	15/03/19	18/12/12	Not determined	Not applicable	Not applicable	Not applicable

**Table 2 SMETS2+ and Relevant Versions of GBCS**

SMETS Version	Installation Start Date	Installation End Date	Maintenance Start Date	Maintenance End Date	Relevant GBCS Version	Applicability Period Start Date	Applicability Period End Date
<del>2.0</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>1.0</del>	<del>30/09/16</del>	<del>07/05/18</del>
2.0	30/09/16	Not determined	30/09/16	Not determined	1.1	06/11/17	Not determined
3.0	Not determined	Not determined	Not determined	Not determined	2.0	Not determined	Not determined
3.0	Not determined	Not determined	Not determined	Not determined	2.1	Not determined	Not determined
<del>4.0</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>3.0</del>	<del>Not determined</del>	<del>05/06/18</del>
4.0	Not determined	Not determined	Not determined	Not determined	3.1	Not determined	Not determined

**Table 3 CHTS and Relevant Versions of GBCS**

<b>CHTS Version</b>	<b>Installation Start Date</b>	<b>Installation End Date</b>	<b>Maintenance Start Date</b>	<b>Maintenance End Date</b>	<b>Relevant GBCS Version</b>	<b>Applicability Period Start Date</b>	<b>Applicability Period End Date</b>
<del>1.0</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>30/09/16</del>	<del>Not determined</del>	<del>1.0</del>	<del>30/09/16</del>	<del>07/05/18</del>
1.0	30/09/16	Not determined	30/09/16	Not determined	1.1	06/11/17	Not determined
1.1	Not determined	Not determined	Not determined	Not determined	2.0	Not determined	Not determined
1.1	Not determined	Not determined	Not determined	Not determined	2.1	Not determined	Not determined
<del>1.2</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>Not determined</del>	<del>3.0</del>	<del>Not determined</del>	<del>05/06/18</del>
1.2	Not determined	Not determined	Not determined	Not determined	3.1	Not determined	Not determined

**Table 4 GBCS and Relevant Versions of CPA Security Characteristics**

GBCS Version	Relevant Versions of CPA Security Characteristics
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