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SEC Modification Proposal Form – SECMP0064

Mod Title

Alt HAN Co permission to seek access to consumer premises for Alt HAN Activities as a representative of energy suppliers

Submission Date

4 October 2018

Details of Proposer

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1. What issue are you looking to address?

Background

Principle obligations within Standard Condition 55.2 of the Electricity Supply Licence and Standard Condition 49.2 of the Gas Supply Licence require that all Relevant Supplier Parties, in conjunction with each other, must ensure that Alternative Home Area Network (Alt HAN) Activities are carried out. Alt HAN Activities (as defined in Standard Licence Conditions (SLCs) 55.6 and 49.6) include, but are not limited to, those activities that are designed to determine which premises may benefit from the installation of Alt HAN Equipment.

In order to do this Alt HAN Co's Operational Service Provider will need to undertake building surveys to enable assessment of suitability for different Alt HAN Solutions.

There will be three levels of surveys that may be completed to identify or confirm that the premises is an Alt HAN Candidate Building. Level 1 and Level 2 building surveys are referred to as 'initial surveys' and are a non-intrusive high-level survey to understand the meter location, the basic characteristics of the building and to obtain initial Zigbee readings. Level 3 surveys are referred to as 'pre-installation surveys' and are completed by the Technology Services Provider prior to installation of Alt HAN Equipment. This SEC Modification is to facilitate access to the premises to the Building Surveyor only for the purposes of completing the initial surveys, completed as part of Alt HAN Activities.

The initial surveys will mainly target multiple-dwelling units where the access is required to communal areas only (not individual flats), however large single premises are also in scope.

The initial surveys are likely to require access to building meter rooms and every floor of the building to collect relevant data, such as:

- Building height
- Number of floors
- Number of premises in the building
- Location of the gas and electricity meter
- Distance between the gas and electricity meter
- Distances between the premises and the electricity meter
- ZigBee readings between each premises and the electricity meter
- ZigBee readings between each premises and the gas meter

(This list is indicative and is not intended to be exhaustive).

What is the issue?

In order to access the buildings for the purposes of surveying, consent is required from the energy consumer or the relevant building manager/ landlord/ sponsor. This permission to access the premises could be obtained either:

- through prior engagement with the relevant building sponsor/ manager/ landlord where permission is secured to access the premises and usually involve paying an access fee, or
- without a pre-arranged permission, where the Building Surveyor seeks a verbal consent directly from the energy consumer who is at the premises at the time of the scheduled survey.

The former approach will be taken for more detailed pre-installation surveys and for installing the Alt HAN Equipment, ensuring that the contractual chain is in place between Alt HAN Co and that building owner/ sponsor/ landlord.

For the initial building surveys, however, the latter has been agreed by the Alt HAN Forum as the most efficient and economically sound approach. This approach will require Alt HAN Co (or its sub-contractors) to engage with the energy consumer directly when seeking their consent to access the building.

The Alt HAN Co is a vehicle set up under Section Z of the Smart Energy Code (SEC) in order to deliver the Alt HAN Arrangements commercially. It is not expected that energy consumers will be familiar with the Alt HAN Co brand, and this may hinder Alt HAN Co's ability to deliver the required building surveys efficiently. Therefore, it has been agreed by the Alt HAN Forum that the individuals who undertake such surveys may identify themselves as representatives of the relevant energy supplier/ all energy suppliers. This, together with appropriate contractual controls and consumer protection measures, will provide more legitimacy to the Building Surveyors when engaging the energy consumer and, in turn, provide more assurance to the energy consumers.

In order for Alt HAN Co (and its sub-contractors) to act as a representative of the energy supplier/s, the relevant energy suppliers need to give the rights for the Alt HAN Co to do so legally. It will be then further implemented in the Alt HAN Co contracts with the Operational Services Service Provider. Currently, there is no contractual arrangement in place between Alt HAN Co and energy suppliers to facilitate this other than the Smart Energy Code (SEC).

Alt HAN Forum Decision

It has been agreed in principle by the Alt HAN Forum (a Forum established pursuant to SEC Section Z and consisting of all Relevant Supplier Parties), that the individuals who undertake such surveys may identify themselves as representatives of the energy suppliers; provided that they only enter buildings with a customer's verbal consent, comply with the statutory/licence duties applying to energy supplier representatives when attending premises, and are liable for any damage caused while attending the premises.

This agreement has been documented in the Alt HAN Forum meeting (ALTHF_23_180517) minutes in the form of a Forum decision to issue the Operational Services ITT to the market. This constitutes an explicit acknowledgement that Alt HAN Co would be acting on behalf of energy suppliers, supporting the assumption based in the Operational Services ITT that the access required by the Building Surveyor would replicate that of a meter reader.

However, the Alt HAN Forum's decision to allow Alt HAN Co (and its contractors) access the consumer premises on behalf of energy suppliers, is binding on Alt HAN Co but not on all energy suppliers. Therefore, a SEC Modification is required to enact this Alt HAN Forum decision in practice.

2. Why does this issue need to be addressed? (i.e. Why is doing nothing not an option?)

Economic delivery of Alt HAN Activities

The main reason for enabling Alt HAN Co to act as a representative of the energy suppliers is to ensure cost avoidance to energy suppliers in delivery of Alt HAN Activities.

Where the Building Surveyor is not able to act as a representative of the energy supplier/s when seeking the permission from energy customer to access the premises, it will need do so as a representative of Alt HAN Co.

The Alt HAN Co is a vehicle set up under Section Z of the Smart Energy Code (SEC) in order to deliver the Alt HAN Arrangements commercially. It is not expected that energy consumers will be familiar with the Alt HAN Co brand, and this may hinder Alt HAN Co's ability to deliver the required building surveys efficiently. It is more likely that the energy consumer will not consent to providing access to the Building Surveyor and this will increase the number of aborted Building Surveyor visits.

The aborted visits will result in further requirement for the energy consumer/ building manager/landlord/ sponsor liaison and repeated visits. Both activities will have a significant cost impact on the overall delivery of Alt HAN Activities. It will also delay the delivery of Alt HAN Services and therefore energy suppliers' ability to meet their licence obligations.

A reduced ability for Alt HAN Co to complete the surveying activities may also impact energy supplier costs due to inaccurate or incomplete information available in regard to the Alt HAN Candidate Buildings.

To avoid aborted surveying visits, the Alt HAN Co could seek a prior permission from the building sponsor/ owner/ landlord in order to access the consumer premises to complete the initial surveys. Securing such permission will require additional effort in terms of significant costs and timescales. This would significantly increase the current cost assumptions for the building liaison activity which currently only covers visits for pre-installation surveys and installation of Alt HAN Equipment. It would therefore negatively impact the Alt HAN Forum's objective for economic and efficient delivery of Alt HAN Arrangements.

All energy suppliers are required to ensure that Alt HAN Activities are delivered. The economic and efficient delivery of Alt HAN Activities is one of the objectives of the Alt HAN Forum as set out in section Z of SEC. The proposed solution seeks to deliver against this Forum objective.

Why does this issue need to be addressed via SEC?

At the Alt HAN Forum meeting (ALTHF_25_180719) on 19 July 2018 the decision was made to address this issue via a SEC Modification. This is seen as the most efficient approach, and therefore consistent with licence obligations.

An alternative option considered was utilising the Alt HAN/ Supplier Contract (which will act as a mechanism for suppliers to procure Alt HAN Equipment) to establish the contractual chain for allowing Alt HAN Co to seek permission to access the premises on supplier's behalf. However, the Alt HAN/ Supplier Contract is a voluntary contract. If this obligation was implemented via the Alt HAN/Supplier Contract, the Building Surveyor would be limited to only survey those premises that are supplied by the energy suppliers who have signed the contract. Therefore, this approach is not practical. Also, the delivery of Alt HAN Activities is an obligation on all Relevant Supplier Parties, therefore a universal obligation on all energy suppliers is required for Alt HAN Co to deliver the Alt HAN Activities. This is particularly relevant to buildings that are serviced by multiple energy suppliers.



The Smart Energy Code is the only mechanism available to capture this obligation as it constitutes the contract between the Alt HAN Co and all Relevant Supplier Parties. Currently there are no provisions in the Smart Energy Code (SEC) that enable Alt HAN Co to seek access to consumer premises on energy suppliers' behalf to undertake these surveys.

3. What is your Proposed Solution?

Proposed Solution Overview

In order to enact the Forum's decision, and for Alt HAN Co to ensure efficient delivery of Alt HAN Activities, it is proposed that the SEC is modified to specify that Alt HAN Co can act as a representative of the energy suppliers when seeking permission from the consumer to access the premises. It is understood that such permission is on a voluntary basis, and not based on the energy suppliers' statutory rights of access.

This access is to be provided on the basis that the personnel of Alt HAN Co (and its contractors) may only undertake a visual inspection of the premises and may not undertake any intrusive work.

With regards to the messaging that the building surveyor will use while on site and any instructions and processes they need to follow, this will be developed in further detail once they have been appointed, with all Relevant Supplier Parties having an opportunity to feed into, review and agree the requirements via the Forum.

The SEC drafting requires the building surveyor to act in line with the Good Industry Practice, specified consumer protections measures, applicable laws and other instructions whilst on site. The energy suppliers are given 3rd party rights to claim against the Operational Service Provider if the Operational Service Provider breaches these obligations (subject to the limits on liability in the Operational Service Provider contract). In due course, the energy suppliers who sign the Energy Supplier Agreement with Alt HAN Co will agree in that agreement not to use those 3rd party rights and instead to bring any claim via Alt HAN Co.

It is also recognised that Alt HAN Activities cover a wider scope of activities than building surveys, hence the proposed drafting does not limit the scope to building surveys but refers to the 'Alt HAN Activities' instead.

The proposed solution is to include the drafting below in SEC Section Z. We would propose this is added as a new Section Z2.49.

The drafting provided below has undergone Alt HAN Co and SEC legal review.

Consumer Protection and Operational Controls

To facilitate Level 1 and Level 2 surveys, the Building Surveyor is expected to require access to the meter rooms and communal areas of Multi-Dwelling Units (MDUs) so that they can accurately assess whether the building requires Alt HAN devices. In doing so, the intention is that this process will help facilitate the installation of smart meters in consumer premises that would otherwise be unable to gain the benefits of smart metering.

During the proposed surveys individual consumer premises will not be accessed and consumers can still refuse access to the Building Surveyor. It is important to note that the implementation of this modification and the subsequent controls that will be

proposed within the Alt HAN Operational Services contract, of which the Building Surveyor is a sub-contractor, will not grant any statutory powers or rights of access. The intent of the modification is to ensure the Building Surveyor can carry out their work with the support of energy suppliers and provide this assurance to any consumer that may question the Building Surveyors presence or activity while carrying out surveys.

Similar regulatory, performance and contractual controls that are currently used across the Industry for Meter Installer and Meter Reader contracts will be embedded within the Alt HAN Operational Services contract. These controls will be established and agreed with the Building Surveyor prior to any on-site activity taking place. Clear guidelines and performance criteria to monitor the behaviour of the Building Surveyor while they are on-site will align with current Industry standards such as SMICoP to ensure the appropriate engagement activity is demonstrated.

From a communication perspective, on-site messaging / scripts will also be developed, and processes established to ensure the customer understands what the Building Surveyor will be doing and how they can obtain further information on Alt HAN and the wider Smart Meter Implementation Programme. Additional external communications and associated material will be developed to increase the awareness of Alt HAN, such as engagement with Smart Energy GB and Citizen's Advice, focusing on one of Alt HAN Co's core objectives, to extend and enhance the availability and benefits of the Smart Meter Implementation Programme. This will be developed and agreed with the relevant stakeholders before the building surveys commence.

Suggested SEC drafting:

22.49 Where personnel of AlthANCo (or its contractor) reasonably require, in connection with the Alt HAN Activities, access to a premises (or part of a premises) to which members of the public do not generally have free access, then:

- (a) each Relevant Supplier Party agrees that these personnel may identify themselves as a representative of the Relevant Supplier Parties when seeking to obtain verbal permission from a relevant Energy Consumer to access such premises or part of a premises (for which purpose, a "relevant Energy Consumer" is one of the Relevant Supplier Party's Energy Consumers who reasonably appears to have authority to grant such permission);
- (b) subject to obtaining such permission from a relevant Energy Consumer, these personnel may access such premises or part of a premises as the Relevant Supplier Party's representative for purposes connected to the Alt HAN Activities;
- (c) AlthANCo shall ensure that these personnel shall, while attending the premises of Energy Consumers in connection with the Alt HAN Activities, act in accordance with Good Industry Practice, the site rules and reasonable instructions of the owner and/or occupier of the relevant premises notified to such personnel, and all Laws and/or Directives applicable to representatives of Relevant Supplier Parties when attending premises;
- (d) AlthANCo shall ensure that each Relevant Supplier Party has the right under the Contract (Rights of Third Parties) Act 1999 to enforce breaches of paragraph (c) above against AlthANCo's contractor in accordance with AlthANCo's contract with such contractor; and
- (e) AlthANCo shall ensure that the personnel who attend the premises of Energy Consumers pursuant to this Section 22.49 are subject to such reasonable vetting, and comply with such reasonable consumer protection measures, as the Forum may determine from time to time.

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4. What SEC objectives does this Modification better facilitate?

This Modification better facilitates General SEC Objective (**h**¹), to facilitate the establishment and operation of the Alt HAN Arrangements, by:

- enabling energy suppliers to meet their licence obligations with respect to delivering Alt HAN Activities effectively and efficiently. The permission to seek access to the buildings on behalf of energy suppliers will enable Alt HAN Co to determine which premises will benefit from the installation of Alt HAN Equipment.

The Alt HAN Forum, which all Relevant Supplier Parties are entitled to attend, have already agreed in principle that the individuals who undertake such building surveys may identify themselves as representatives of energy suppliers.

Smart Energy Code is the only mechanism available to capture this obligation as it constitutes the contract between the Alt HAN Co and all Relevant Supplier Parties.

5. What is the requested Path type?

2

It is recommended that this Modification requires Authority consent and should be progressed as a Path 2 Modifications: 'Authority Determination' Modification.

The Modification is not proposed by the Authority or by DCC at the direction of the Authority, therefore does not have the status of a Path 1 Modification.

Following the feedback at the Panel meeting on 12 October, the Modification Path has been deemed to meet the criteria set out in SEC Section D2.6, in terms of any significant or material impact on energy consumers. This is due to the Alt HAN Co sub-contractors engaging with the energy consumer when seeking consent to access the premises as a representative of energy suppliers. Therefore, it does hold the status of a Path 2 Modification.

In addition, we note that this matter has already been discussed at the Alt HAN Forum and the Alt HAN Supplier Contract Governance and Regulatory sub-group, and, as such, all Relevant Supplier Parties have been given an opportunity to consider the proposed solution.

Furthermore, the proposed Modification enacts the Forum's decision that has already been made and is supported by taking action via this SEC modification. It is suggested therefore that this Modification does not require the Refinement Process as it has already been assessed by Industry and should be able to progress directly to Modification Report stage.

6. Are you requesting that the Modification Proposal be treated as Urgent?

¹ Facilitate the establishment and operation of the Alt-HAN Arrangements.

This Modification should not be treated as urgent. However, it should be noted that the building surveys are scheduled to commence in January 2019. Failure for Alt HAN Co to be able to commence these surveys on time will impact on the ability of the efficient and economic delivery of Alt HAN Activities and the Forum's objectives. Timely progression of this Modification is therefore critical.

7. What is your desired implementation date?

The request is for the Modification to be implemented outside of a scheduled SEC Release, so it is in place for January 2019 when building surveys are scheduled to commence.

Should this not be possible then the February 2019 SEC Release would be the next preferred implementation date.

8. Which SEC Parties are expected to be impacted? (Please mark with an X)

Large Supplier Parties	X	Small Supplier Parties	X
Electricity Network Parties		Gas Network Parties	
Other SEC Parties			

This change is in relation to Alt HAN Arrangements (Section Z of the SEC), so will only impact Large Supplier Parties and Small Supplier Parties. This is because Alt HAN Co will be seeking permission from consumers on behalf of all Relevant Supplier Parties.

9. Which parts of the SEC will be impacted?

The part of the SEC which will be impacted is SEC Section Z.

10. Will there be an impact on Central Systems? (Please mark with an X)

DCC Systems		Party interfacing systems	
Smart Metering Systems		Communication Hubs	
Other systems			

There will be no impact on Central Systems.

11. Will there be any testing required?

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There will be no testing required.

12. Will this Modification impact other Energy Codes?

No

There will be no impact on other Energy Codes.

13. Will this Modification impact Greenhouse Gas Emissions?

No

There will be no impact on Greenhouse Gas Emissions.