



Consultation Response

By email to dccg@decc.gsi.gov.uk

Ref: URN 11D/957

22 March 2012

Smart Metering Implementation Programme – Regulatory Design Team
Department of Energy and Climate Change
3 Whitehall Place
London SW1A 2AW

Dear Sir/Madam

ELEXON's response to DECC's consultation on a draft Statutory Instrument - the Electricity and Gas (Prohibition of Communications Activities) Order 2012.

I welcome the opportunity to provide ELEXON's views on the draft Statutory Instrument. Our response is set out below.

If you would like to discuss any areas of our response, please contact me on 020 7380 4337, or by email at chris.rowell@elexon.co.uk.

Yours faithfully

Chris Rowell
Smart Programme Director



A consultation on the draft Statutory Instrument the Electricity and Gas (Prohibition of Communications Activities) Order 2012

Question 1: Do you think any party other than DCC would be captured by the Prohibition Order as set out? If you consider other parties would be captured please identify them and indicate whether you consider this a short term or long term issue.

We agree there is a risk that parties engaged in the deployment of advanced meters at domestic premises could be caught by the Prohibition Order. However given that the licence will only apply to parties making arrangements with all licensed active domestic suppliers, the likelihood is low, and granting an exemption is an appropriate means of addressing any such circumstance.

Question 2: Do you have any views on the definition of a smart meter set out in the draft Order?

Defining a smart meter in terms of an electricity meter and devices which enable communication to and from the meter using an external electronic communications network, is very general and will capture any electricity meter that is read remotely. In defining the Licensable Activity this needs to be read in conjunction with the other definitions. In particular the definition needs to be associated with references to domestic supply to ensure that there are no unintended impacts on non-domestic metering.

Question 3. Do you have any further comments on the approach being adopted to structuring the licensable activity?

ELEXON agrees in principle with the structuring approach for the licensing activity.

However we note that the overall effectiveness of this approach is dependent on ensuring that appropriate obligations are established across the whole smart regulatory regime.

Question 4. Do you have any comments on the draft licensable activity as set out in article 4 of the draft Order (Annex 2)?

No



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Question 5. Do you have any comments on the conclusions set out in respect of the proposed consequential amendments or on those assessed as unnecessary?

No.

We support the consequential amendments to legislation and licences set out in the consultation document.

Question 6. Do you have any comments on the consequential amendments as set out in the draft Order?

No

We support the consequential amendments set out in the draft Order (Annex 3, Part 1 of the consultation document).

Question 7. Do you think that the DCC should be included in the standards of performance framework? Do you have any general views on the regulation of DCC's relationship with consumers?

ELEXON agrees that, as DCC does not have a direct relationship with consumers, that there is no need for specific obligations or amendment to the Consumers, Estate Agents and Redress Act (2007) (CEAR) or inclusion of DCC under any standards of performance for consumers.

The performance and arrangements for delivery of service between DCC and its customers will be set out in the Smart Energy Code (SEC). Any failure to deliver the DCC services will be addressed through the SEC. Should a failure of the DCC services impact consumers (customers of the DCC Users) then the existing arrangements between the 'DCC User' and its customers should take effect.

In relation to certain operations directly affecting the customer, such as the ability to instruct a meter to be remotely disconnected, this should only be instructed by energy Suppliers and not DCC directly. In limited circumstances DCC may need to prevent communications with a smart meter (e.g. security), but this should not prevent a meter continuing to record and store data or communicate across the Home Area Network.

Should DCC be required to undertake activities that require it to deliver services directly to the public or if circumstances require it to hold personal data of consumers, then clearly this would need to be re-assessed.



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Question 8. Do you consider it necessary for the DCC (or its service providers) to be considered a “statutory undertaker”? Please explain the reason for your answer.

ELEXON sees no reason why DCC should be considered a statutory undertaker as it is a procurement and contract management body.

There may however be circumstances under which a communications service provider may need to be considered a statutory undertaker, for example to establish the necessary communications framework to deliver ‘GB wide’ communications solutions. Potential service providers are best placed to confirm their requirements and whether existing permissions are sufficient.

For more information on our response, please contact:

Chris Rowell, Smart Programme Director

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