



Notification Number: 2013/596/UK

Great Britain Smart Metering Implementation Programme: Proposed amendments to the Gas and Electricity Supply Licence Conditions to require “no backward step” where smart metering equipment has been installed in domestic premises

Date received : 30/10/2013

End of Standstill : 31/01/2014

Message

Message 001

Communication from the Commission - TRIS/(2013) 02780

Directive 98/34/EC

Notificación - Oznámení - Notifikation - Notifizierung - Teavitamine - Γνωστοποίηση - Notification - Notification -
Notifica - Pieteikums - Pranešimas - Bejelentés - Notifika - Kennisgeving - Zawiadomienie - Notificação -
Hlásenie-Obvestilo - Ilmoitus - Anmälan - Нотификация : 2013/0596/UK - Notificare.

No abre el plazo - Nezahtuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata -
Καμία έναρξη προθεσμίας - Does not open the delays - N'ouvre pas de délais - Non fa decorrere la mora -
Neietekmē atlikšanu - Atidėjimai nepradedami - Nem nyitja meg a késések - Ma' jiftaħ il-perijodi ta' dawmien
- Geen termijnbegin - Nie otwiera opóźnień - Nao inicia o prazo - Neotvorí oneskorenia - Ne uvaja zamud -
Määräaika ei ala tästä - Inleder ingen frist - Не се предвижда период на прекъсване - Nu deschide perioadele
de stagnare - Nu deschide perioadele de stagnare.

(MSG: 201302780.EN)

1. Structured Information Line

MSG 001 IND 2013 0596 UK EN 30-10-2013 UK NOTIF

2. Member State

UK

3. Department Responsible

Department for Business, Innovation and Skills

Innovation & Enterprise Group

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3. Originating Department

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4. Notification Number

2013/0596/UK - N00E

5. Title

Great Britain Smart Metering Implementation Programme: Proposed amendments to the Gas and Electricity Supply Licence Conditions to require "no backward step" where smart metering equipment has been installed in domestic premises

6. Products Concerned

Gas and Electricity Smart Metering Equipment

7. Notification Under Another Act

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8. Main Content

The UK Government has introduced requirements ("roll-out licence conditions") on energy suppliers to procure and install smart meters in their domestic and smaller non-domestic customers' premises, with a limited number of exceptions, by the end of 2020. Smart meters must meet the minimum functional requirements defined in the Smart Metering Equipment Technical Specifications (SMETS) in force when they are installed.

The roll-out licence conditions and two versions of the SMETS (SMETS 1 and SMETS 2) were notified to the Commission on 5 April 2012 (2012/215/UK) and 24 January 2013 (2013/0046/UK) respectively. In each case the Commission responded without detailed opinion. The roll-out licence conditions came into force on 30 November 2012. SMETS 1 was designated by the Secretary of State and entered into force on 19 December 2012. SMETS 2 is not yet in force. None of the licence conditions proposed in this notification amend the roll-out licence conditions or any version of the SMETS.

In May 2013, following consultation, the UK Government concluded that additional licence conditions should be introduced to place certain requirements on energy suppliers at domestic premises where SMETS-compliant smart metering equipment has already been installed. It is proposed that an energy supplier must take all reasonable steps to install a SMETS-compliant smart metering system when it replaces a SMETS-compliant smart metering system. This is commonly referred to as the "no backward step" licence condition.

The "no backward step" condition is an additional technical requirement linked to the requirements already notified in relation to SMETS and the roll-out licence conditions, and will require energy suppliers to install SMETS compliant equipment in circumstances where they would not otherwise have had to do so.

The requirement will be inserted using identical text into the licences of both electricity and gas suppliers.



The new "no backward step" obligation has an equivalent effect to the previously notified "new and replacement" obligation (which formed part of 2012/215/UK), but will apply in a much smaller range of circumstances and in advance of that other obligation having full effect.

The "no backward step" licence condition will be given effect from April 2014.

9. Brief Statement of Grounds

The UK Government's vision is for every home and smaller businesses in Great Britain to have smart electricity and, where present, gas meters. Domestic consumers will also be offered an In Home Display (IHD). The roll-out of smart metering systems will play an important role in Britain's transition to a low-carbon economy and help us meet some of the long-term challenges we face in ensuring an affordable, secure and sustainable energy supply. It is also consistent with the European Directives 2009/72/EC and 2009/73/EC, the "energy third package". The roll-out of smart metering systems by energy suppliers in Great Britain will take place in two phases: the Foundation Stage and mass roll-out.

In the enduring smart metering market, domestic meters and some non-domestic meters will have their communications managed centrally through a new licensed entity - the Data and Communications Company (DCC). Smart meters will be installed in two stages: the "Foundation" stage (pre-DCC) and "mass roll-out" stage. SMETS 1 was developed to enable energy suppliers to deploy smart meters during Foundation if they so wish.

There are a number of potential benefits from deploying meters during Foundation, including early engagement to build consumer confidence in the roll-out, realisation of early benefits for consumers and energy suppliers, and an opportunity for the industry to gain valuable learning and experience to inform its preparations for mass roll-out. The Government's objectives for the Foundation Stage include: consumers have a positive experience (including those that change supplier); the organisations funding Foundation meters have appropriate economic and commercial incentives to support market development; and meters and communications arrangements can be easily transferred on change of supplier and are appropriate to enable management by the DCC at a later date.

These objectives will be furthered by protecting the benefits and savings of Foundation installations, including by limiting the risk that SMETS-compliant equipment is stranded upon a consumer switching to a new energy supplier. The no backward step licence condition is part of a package of conditions that will improve the operational and commercial arrangements between suppliers and commercial Meter Asset Providers (MAPs) and address certain risks when there is a change of supplier involving a smart meter, including rentals for smart meters not being secured, removal of SMETS compliant metering systems, and negative impacts on the consumer experience.

10. Reference Documents - Basic Texts

References of the Basic Texts: Explanatory document to support the notification of the "no backward step" Licence Condition.

11. Invocation of the Emergency Procedure

No

12. Grounds for the Emergency

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13. Confidentiality

No

14. Fiscal measures

No

15. Impact assessment

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16. TBT and SPS aspects

TBT aspect

No - The draft has no significant impact on international trade

SPS aspect

No - The draft is not a sanitary or phytosanitary measure

European Commission

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