



Notification Number: 2018/515/UK

Great Britain Smart Metering Implementation Programme: Notification of extension to the smart metering electricity and gas supply licence conditions enrolment mandate - SMETS1 meters.

Date received : 09/10/2018

End of Standstill : 10/01/2019

Message

Message 001

Communication from the Commission - TRIS/(2018) 02808

Directive (EU) 2015/1535

Notificación - Oznámení - Notifikation - Notifizierung - Teavitamine - Γνωστοποίηση - Notification - Notification -
Notifica - Pieteikums - Pranešimas - Bejelentés - Notifika - Kennisgeving - Zawiadomienie - Notificação -
Hlásenie-Obvestilo - Ilmoitus - Anmälan - Нотификация : 2018/0515/UK - Notificare.

No abre el plazo - Nezahtuje odklady - Fristerne indledes ikke - Kein Fristbeginn - Viivituste perioodi ei avata -
Καμμία 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 késéket - Ma' jiftaħ il-perijodi ta' dawmien
- Geen termijnbegin - Nie otwiera opóźnień - Não 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: 201802808.EN)

1. Structured Information Line

MSG 001 IND 2018 0515 UK EN 09-10-2018 UK NOTIF

2. Member State

UK

3. Department Responsible

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Europe Directorate
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3. Originating Department

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4. Notification Number

2018/0515/UK - N00E

5. Title

Great Britain Smart Metering Implementation Programme: Notification of extension to the smart metering electricity and gas supply licence conditions enrolment mandate - SMETS1 meters.

6. Products Concerned

Electricity Smart Metering Supply Licence Condition
Gas Smart Metering Supply Licence Condition

7. Notification Under Another Act

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8. Main Content

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

The following smart metering requirements have previously been notified to the European Commission:

- SMETS version 1 and the rollout licence conditions (2012/215/UK) – in legal force.
- SMETS version 2 (2013/46/UK) – not in legal force (notification withdrawn).
- 'No backward step' amendments to the rollout licence conditions (2013/596/UK) – in legal force.
- SMETS version 2 Part 2, including revised rollout licence conditions, GBCS, CHTS, CPA Security Characteristics and interoperability requirements (2014/0378/UK) – in legal force.
- SMETS Enrolment Mandate (Supply Licence Condition) (2016/0133/UK) – in legal force.
- SMETS for Data Communications Company (DCC) System Release 2 (2017/0350/UK) – in legal force.
- Extension to the Smart Metering Electricity and Gas Supply Licence Condition Enrolment Mandate (2018/70/UK) – in legal force.
- Further change to the Smart Metering Technical Specifications (SMETS v3.0) for Data Communications Company (DCC) System Release 2 (2018/150/UK) – not in legal force.

This notification relates to a proposed extension to the supply licence conditions, requiring that energy suppliers take all reasonable steps to enrol 'eligible' first generation (SMETS1) SMSs into the national data and communications provider, the Data Communications Company (DCC) within a specified timeframe. It is broadly intended that eligibility for enrolment would depend on the DCC demonstrating through testing that it is able to provide data and communications services in respect of that SMS. The proposal would require that a SMETS1 SMS that has been enrolled in the DCC may not be withdrawn and operated outside the DCC. As a backstop,



any unenrolled SMETS1 SMS would need to be replaced with a second generation (SMETS2) SMS by the end of 2020.

This proposal builds on existing requirements for energy suppliers to enrol SMETS2 SMSs in the DCC, which were the subject of previous notifications 2016/0133/UK and 2018/70/UK. The proposed changes also make minor amendments to existing SMETS2 requirements, though these do not affect the substance of the existing requirements.

The amendments to electricity and gas Supply Licence Conditions to implement this proposal have already been consulted on and are now in final draft format.

The UK will fulfil its obligation under Article 9 of Directive 2015/1535/EU when the draft modifications to the relevant licence conditions are laid before Parliament.

9. Brief Statement of Grounds

The UK Government's vision is for every home and smaller business in Great Britain to have smart electricity and, where applicable, smart gas metering equipment by the end of 2020. The roll-out of smart meters is playing an important role in Britain's transition to a low-carbon economy and helping 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 'third energy package', and the Energy Efficiency Directive (2012/27/EU).

Based on the 2016 cost-benefit analysis, the expected gross benefit of smart metering across the domestic and smaller non-domestic sectors is around £16.7 billion in present value terms, with combined gross present value costs of around £11 billion. This results in an expected net present value benefit of around £5.7 billion over the appraisal period to 2030.

The smart meter roll-out is being delivered in two stages – the Foundation Stage, which began in 2011, transitioning into the Main Installation Stage, which commenced in November 2016. This was the point when the DCC became operational and the specification for SMETS2 SMSs that work with the DCC was designated into regulations.

Interoperability is a core requirement of smart metering in Great Britain. The effective operation of a competitive retail market for electricity and gas is dependent on customers being easily able to switch energy supplier without having to exchange metering equipment. SMETS2 SMSs can only be operated via the DCC, thereby ensuring interoperability between energy suppliers. By contrast, although a number of energy suppliers are installing SMETS1 SMSs during the Foundation stage, they use their own data and communications systems to provide smart services. This means that while the benefits of accurate bills and near real-time energy consumption information are available to SMETS1 consumers, they may lose smart services on switching to another energy supplier.

Our long-standing policy has been for all significant SMETS1 populations to eventually be operated via the DCC to ensure interoperability for SMETS1 consumers. In April 2018 we consulted on proposals that would introduce a requirement on energy suppliers to enrol eligible SMETS1 SMSs in the DCC. Having considered responses to the consultation, in October 2018 we confirmed our intention to introduce the new obligations described in the 'Main content' section above.

10. Reference Documents - Basic Texts

References of the Basic Texts: - Explanatory document to support the notification of extension to the smart metering electricity and gas supply licence conditions enrolment mandate – SMETS1 meters



- Government Response to the Consultation on maximising interoperability for first generation (SMETS1) smart meters

Basic Texts have been forwarded within the framework of a previous notification: 2016/0133/UK: 2018/0070/UK

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

Yes

16. TBT and SPS aspects

TBT aspect

No - The draft has no significant impact on international trade

SPS aspect

No - The draft has no significant impact on international trade

European Commission

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