



Notification Number: 2008/548/UK

## Modifications to Standard Conditions: Electricity Supply Licence

Date received : 04/12/2008  
End of Standstill : 05/03/2009  
Issue of comments by : Czech Republic

### Message

Message 001

Communication from the Commission - SG(2008) D/52359  
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 : 2008/0548/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: 200802359.EN)

#### 1. Structured Information Line

MSG 001 IND 2008 0548 UK EN 05-03-2009 04-12-2008 UK NOTIF 05-03-2009

#### 2. Member State

UK

#### 3. Department Responsible

Department for Innovation, Universities and Skills  
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#### 3. Originating Department

Department of Energy and Climate Change (DECC)



#### 4. Notification Number

2008/548/UK - I10

#### 5. Title

Modifications to Standard Conditions: Electricity Supply Licence

#### 6. Products Concerned

Electricity meters and services associated with electricity meters.

#### 7. Notification Under Another Act

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#### 8. Main Content

Licensed electricity suppliers operating in Great Britain who charge customers according to the amount of electricity they consume must provide an appropriate meter to record the amount of electricity consumed as a basis for calculating customers' bills (unless, exceptionally, customers provide their own appropriate meters). Meters are "appropriate" if they meet the standards of accuracy laid down in the Measuring Instruments Directive (2004/22/EC) or pre-existing national type-approval requirements which the Directive permits to continue in force until 2016.

The draft regulation adds to the conditions under which licensed electricity suppliers operate by imposing an additional requirement in respect of meters they supply to those business customers who are in what are known as user profile classes 5, 6, 7 or 8. These classes cover approximately 170,000 non-domestic meter sites, with average annual consumption of between 96,000 and 137,000 kWh/year. They do not include businesses which use very large amounts of electricity, or small businesses whose usage has more in common with domestic patterns of consumption.

The draft regulation will require suppliers to ensure that within five years, all the meters through which they supply customers in user profile classes 5 to 8 are capable, either on their own or with an ancillary device, of storing measured electricity consumption data for multiple time periods, and providing suppliers with remote access to such data. In other words, suppliers must provide these customers with metering systems which have the key attributes of what is known as a "smart meter".

The draft regulation also requires the meter and the ancillary device to be able to comply with the requirements of any electricity industry Code in respect of the treatment of data. There are presently no applicable requirements within any electricity industry Code. It is acknowledged that any Code requirement relating to the treatment of data by smart meters would constitute a further technical regulation within the meaning of Directive 98/34, and that further notifications under the Directive would have to be made in respect of such requirements if and when they were contemplated.

#### 9. Brief Statement of Grounds

Smart metering technology provides consumers with much more detailed, accurate and intelligible information about their consumption than a traditional meter. It has been shown to reduce energy use, benefiting consumers and the environment. It enables suppliers to offer a wider range of tariff options, stimulating competition in energy supply markets and potentially bringing further environmental benefits if the tariff structure is used to incentivise consumption at periods of lower overall demand, since this will reduce dependence on peak load generating plant which is typically coal or gas-fired. Smart metering technology is also generally considered to



be the best way, subject to national cost/benefit calculations, to satisfy the requirements of Article 13(1) of the Energy Services Directive (2006/32/EC). The UK Government's cost/benefit analysis indicates that for customers in user profile classes 5 to 8, the benefits of smart metering will greatly exceed the costs.

The draft regulation imposes no requirements on those aspects of meters which are subject to metrological control under Directive 2004/22/EC. It states what the new metering systems must do in the broadest possible terms and leaves the choice of the precise technical solution to suppliers and customers. The draft regulation can be complied with by linking a suitable ancillary device to a traditional (non-smart) meter.

#### **10. Reference Documents - Basic Texts**

- a) (i) Electricity metering section of the Electricity Supply Licence, published by the Office of Gas and Electricity Markets (OFGEM).
- (ii) Electricity Act 1989 - Standard conditions of Electricity Supply Licence.

#### **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**

Information on the impact assessment can be found in the attached Consultation document.

#### **16. TBT and SPS aspects**

TBT Aspect

No

The draft does not have a significant effect on international trade.

SPS Aspect

No

The draft is not a sanitary or phytosanitary measure in the sense of Annex A of the SPS Agreement.

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