

# BEIS Consultation on Smart Metering Implementation Programme Changes to the Smart Energy Code (Related to Provision of Communications Hubs)

## Energy UK response

12 February 2018

### Introduction

Energy UK is the trade association for the GB energy industry with a membership of over 90 suppliers, generators, and stakeholders with a business interest in the production and supply of electricity and gas for domestic and business consumers. Our membership encompasses the truly diverse nature of the UK's energy industry from established FTSE 100 companies' right through to new, growing suppliers and generators, which now make up over half of our membership.

Energy UK continues to support Dual Band Communications Hubs (DBCHs) and sub-GHz Home Areas Network (HAN) development as it is critical to the delivery of smart metering in Great Britain. Our principal and long-standing concerns in this area are related to DCC DBCH delivery delays, erosion in DBCH propagation performance and the magnitude of the estimated incremental costs for development and delivery of DBCHs (which still await confirmation). Energy UK will continue to work with BEIS, Ofgem and DCC to ensure DBCH timescales are not delayed further, that technical performance requirements are met and that all associated costs are appropriate. This response is intended to facilitate those objectives.

Energy UK's response to the BEIS's consultation on changes to the Smart Energy Code (SEC) related to the provision of Communication Hubs (CHs), focuses on the key points and provides high-level observations for further consideration. This response does not provide detailed commentary on the legal SEC drafting provided as part of the BEIS consultation letter; Energy UK's individual members may provide further comments on their particular view of issues and the appropriateness of the legal drafting.

We would be happy to discuss any of the points made in further detail with BEIS or any other interested party.

### General comments

Energy UK welcomes the opportunity to respond to this consultation which is intended to address important aspects related to:

- Treatment of development and incremental costs associated to DBCHs;
- Proposed approach to provision of CHs in the Fylingdales area; and
- Management of certain modifiable DBCH configuration settings.

Our main observations we suggest BEIS consider further are:

- **Treatment of associated development and incremental costs for DBCHs** – the principle of amortisation of the DBCH development and incremental costs is broadly supported. We note that this proposal was first raised in DCC's Release 2.0 consultation<sup>1</sup> and that a precedent

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Consultation on the delivery plan for DCC Release 2.0 (25 July 2017)

exists with Alternative HAN charging arrangements. The argument made by BEIS that the installing supplier should not have to bear the full incremental capital cost and then be at a competitive disadvantage is valid. The proposed approach supports the competitive market and should ensure that those incremental costs are recovered on an equitable basis.

However, whilst the BEIS policy intent is understood further clarity needs to be provided to energy suppliers before the proposal is fully endorsed:

- Overall costs for delivery of DBCHs need to be confirmed to allow energy suppliers to fully understand and consider the impact of DBCHs on their rollout planning;
  - Explicit classification of each DBCH development and incremental cost item, and its related cost, subject to this amortisation proposal should be published to allow energy suppliers to consider the significance – Energy UK assume the proposal will cover only those cost items that are justified as additional to any costs already accounted for Single Band Communication Hub (SBCH) development; and
  - The exact period of amortisation for recovery of the development and incremental cost items should be confirmed – energy suppliers assume this will be the declared asset life of the DBCH (i.e. 15 years).
- **Arrangements for the provision of CHs in the Fylingdales area** – Energy UK understands the challenges of CH provision in the Fylingdales area. However, BEIS should acknowledge that DCC only providing DBCHs for that specific area does place another constraint on energy supplier rollout planning. This is an issue out of the control of energy suppliers and places an additional dependency on delivery of DBCHs.
  - **Management of DBCH configuration settings** – Energy UK supports formal governance of DBCH configuration settings and the process for modification. We agree with concerns noted by BEIS related to the proposed use of the SEC and the SEC Panel for relevant governance. DBCH configuration settings are the responsibility of energy suppliers and there is a need for swift resolution to sub-GHz issues when identified. These are relevant factors that should influence the final governance solution. Energy UK does recognise that SEC and SEC Panel proposal could provide a suitable governance route that should ensure all energy suppliers participate, engage and agree changes to DBCH configuration settings. This will ensure any future sub-GHz HAN issues are addressed sensibly, avoid knock-on effects to other neighbouring sub-GHz HANs and ensure all suppliers and consumers benefit from optimal smart metering HAN performance.

It is important that governance is proportionate and has a balance of timeliness, sensible oversight and necessary management. It is therefore proposed that a DBCH/Sub-GHz HAN technical workgroup or sub-committee is established under the SEC Panel to support the decision making process and deal with this particular challenge. The workgroup or sub-committee should be chaired by an energy supplier representative with technical specialist members from the energy supplier community. Additional technical experts, nominated by energy suppliers (e.g. device manufacturers), could be invited to attend and contribute where specific technical issue resolution require discrete expertise. The workgroup or sub-committee should have terms of reference with sufficient scope to cover the sub-GHz configuration setting issues with meeting arrangements designed to facilitate swift resolution of issues.

The overall SEC governance process timeliness challenge (i.e. the SEC modification process being able to deliver swift resolution to sub-GHz configuration setting issues) is something that the SEC Panel needs to consider. It is important that the SEC Panel confirms whether BEIS' assumptions are achievable. Energy UK will actively support this work if considered beneficial.

- **Configuration Table Error** - we also note that an error exists in the configuration tables set out in Annex B.1. 'Scan Duration' should be deleted as it was removed when Issue Resolution Proposal 531 was approved. It was accepted that as the parameter is baked into the ZigBee Network specification it would not be capable of change through normal SEC governance processes.

Whilst this is acknowledged BEIS should note that the current 'Scan Duration' parameter value was set on the basis of advice from relevant specialists but without the benefit of specific testing for the GB rollout or its deployment. It is therefore proposed that the 'Scan Duration' parameter

should receive explicit focus as part of DBCH and 868 device testing arrangements. This is required to manage the risks that:

- the current Scan Duration period leads to inappropriate sub-GHz channel selection impacting HAN performance and gas meter battery life; and/or
- that CH manufacturers apply an inconsistent algorithm to the Scan Duration calculation leading to impacts to installation times.

We hope this response is helpful and supports BEIS in confirming its next steps. For further information or to discuss our response in more detail please contact **Daisy Cross** on **0207 747 2963** or at [daisy.cross@energy-uk.org.uk](mailto:daisy.cross@energy-uk.org.uk).

Yours Sincerely,

A handwritten signature in black ink, appearing to be 'Daisy Cross', written in a cursive style.

**Daisy Cross**  
**Head, Smart Metering**