

Change proposal:	Retail Energy Code (REC) R0043: Commissioning of works by The Crowded Meter Room Coordinator (CMRC) to resolve issues in crowded meter rooms		
Decision:	The Authority ¹ has decided to approve ² this change proposal ³		
Target audience:	REC Board, REC Parties and other interested parties		
Date of publication:	08 January 2024	Implementation date:	28 June 2024

Background

Smart Meter installations rely on individual components of the smart metering system being within range of the Home Area Network (HAN) generated by the communications hub. In some circumstances the individual elements may be too far apart to communicate over the HAN and as a result consumers may be unable to access the benefits of smart metering. In these circumstances, additional equipment is required to extend the range of the HAN, overcoming any limitations, to connect all smart metering devices to the domestic consumers premises. This also extends to multiple dwelling units (MDUs) where meters may be centrally located away from each individual property.

Energy Suppliers have obligations in licence and under Smart Energy Code (SEC) Section Z (Alt HAN Arrangements) to resolve the HAN coverage gap.^{4,5} The Alt HAN Company Ltd (Alt HAN Co) was established to develop solutions to these gaps and the challenges noted above.⁶ This involved the development of Alt HAN bridges, which is a technology used to extend the signal range between smart meters and devices within a domestic consumers premises, to

1 References to the "Authority", "Ofgem", "we" and "our" are used interchangeably in this document. The Authority refers to GEMA, the Gas and Electricity Markets Authority. The Office of Gas and Electricity Markets (Ofgem) supports GEMA in its day to day work. This decision is made by or on behalf of GEMA.

2 This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989 and section 38A of the Gas Act 1986.

3 'Change' and 'modification' are used interchangeably in this document.

4 Capitalised terms are defined in REC Schedule 1 "Interpretations and Definitions" REC documents are available on the [REC Portal](#).

5 The complete Smart Energy Code document is [available here: https://smartenergycodecompany.co.uk](https://smartenergycodecompany.co.uk).

6 Alt HAN Company Ltd 2023. Available <https://althanco.com/>

establish the HAN. One of these bridges must be wired at the electricity meter and therefore adequate space is needed around the meter to install the bridge and facilitate the operational range of the smart metering equipment.

Following the approval of Distribution Connection and Use of System Agreement (DCUSA) Change Proposal (DCP400) '*Commissioning of Works using shared Meter Operator services by the Crowded Meter Room Coordinator*', which established permissions to undertake these types of works, Alt HAN Co began a 'soft launch' of crowded meter room (CMR) solutions.^{7,8} These were carried out by the Alt HAN Co's chosen Crowded Meter Room Meter Equipment Manager (CMRM) who is also a REC accredited Metering Equipment Manager (MEM). Following a review of the 'soft launch' the CMR solution was deemed successful and the Alt HAN Forum, formed of Energy Suppliers and industry representatives, voted on 16 November 2023 to proceed with a full launch of CRM solutions.⁹

The change proposal

R0043 was raised by Alt HAN Co (the Proposer) on 22 April 2022.¹⁰ This change proposal seeks to make amendments to the REC to ensure that the CMRM is set up as a new role code for the purpose of sending market messages, and for the relevant market messages to include new scenario variants where the CMRC will send and receive information between the Energy Supplier and/or the Distribution Network Operator (DNO) or Independent Distribution Network Operator (IDNO). This will form part of a complete end to end solution for CMR's when combined with DCUSA modification 400 and Alt HAN Co arrangements.

To achieve this R0043 proposes the following changes:

- Changes to Schedule 1- 'Interpretations and Definitions', to add new definitions
- Changes to the data access matrix. Although the Alt HAN Co are already identified as a party with access rights for the purposes of its role generally, an addition is needed to reflect the Alt HAN Co's obligations under section 2G of DCUSA

⁷ The Distribution Connection and Use of System Agreement <https://www.dcusa.co.uk/>

⁸ DCUSA Modification [DCP400](#)

⁹ Alt HAN Forum is the decision-making body of Alt HAN Co

¹⁰ Documents relating to R0043, including the Final Change Report, are available on the [REC Portal](#).

- Changes to Schedule 14– ‘Metering Operations’ that set out the processes and rules that the CMRM should follow
- Addition of new Scenario Variants only for the following Market Messages:
MM00013/D0002 MM00016/D0126 MM00023/D0135 MM00029/D0136
MM00036/D0139 MM00121/D0221
- Create a new user category for the Crowded Meter Room Coordinator (CMRC) and grant access to additional data items in the Energy Enquiry Service (EES) The data access matrix will be updated to include additional data items (the details of which can be found in the solution overview document).¹¹

REC Change Panel¹² recommendation

At the REC Change Panel meeting on 21 November 2023, a majority of the REC Change Panel considered that R0043 would better facilitate the REC Objectives and the REC Change Panel therefore recommended its approval.

Our decision

We have considered the issues raised by the change proposal and the Final Change Report (FCR) dated 22 November 2023. We have considered and taken into account the responses to the industry consultation which are attached to the FCR.¹³ We have concluded that:

- implementation of the change proposal will better facilitate the achievement of the applicable Objectives of the REC;¹⁴ and
- approving the change proposal is consistent with our principal objective and statutory duties¹⁵

Reasons for our decision

¹² The REC Change Panel is established and constituted pursuant to and in accordance with [Standard Condition 11B.8\(a\) of the Electricity Supply Licence](#) and [Standard Condition 11.8\(a\) of the Gas Supply Licence](#).

¹³ REC change proposals, change reports and representations can be viewed on the [REC Portal](#).

¹⁴ As set out in [Standard Condition 11B.6 of the Electricity Supply Licence](#) and [Standard Condition 11.6 of the Gas Supply Licence](#).

¹⁵ The Authority’s statutory duties are wider than matters which the Panel must take into consideration and are detailed mainly in the Electricity Act 1989 and the Gas Act 1986.

We consider R0043 will better facilitate REC Objectives (a), (b) and (c).

(a) to ensure the REC operates and evolves in a manner that facilitates the achievement of its mission statement

The Proposer states that this change will positively impact REC Objective (a), as it will facilitate the efficient running of the retail energy market, including its systems and processes. This is achieved by forming part of a coordinated solution across DCUSA, REC and Alt HAN Co to drive a resolution to the issue of CMRs and establish smart metering in MDU's of consumers. This will be achieved through the facilitation of communications by the various parties involved, as noted above. As a result, the Proposer states that more consumers will have the ability to access the benefits of smart metering following CMR works while Energy Suppliers remain compliant with their smart metering licence conditions.

It was highlighted by some respondents to the consultation that it may take significantly longer to understand the full impact and implement the changes required by R0043. They believe this is due to the inclusion of a new role code for the CMRC and the implementation of new market messages. It was also highlighted that other ongoing industry wide works such as market wide half hourly settlement may result in deprioritising the implementation of R0043. The REC Code Manager believes that a 6-month implementation time for this change proposal is sufficient and noted that this change has been widely publicised over the previous year. We agree with the Code Manager that this is sufficient for Energy Suppliers to prepare for this change given the given the publicity and the engagement across the Alt HAN Forum and other industry codes.

We believe R0043 will better facilitate applicable REC Objective (a) and will help to form the complete CMR solution. We agree that this change will create a clear process for communications between multiple resolving parties in resolving CMRs to ensure that the full CMR solution can be implemented. This will help to increase the number of smart meter installations for Energy Suppliers and likely drive improvements in efficiency and resource utilisation when installing smart meters in MDUs. Therefore supporting Energy Suppliers to meet their smart meter rollout obligations which are underpinned by the relevant licence conditions.

(b) to ensure customers interests and data is protected in the operation of the REC

The Proposer considers that REC Objective (b) will be better facilitated by the decision to use the existing industry standard and arrangements for data sharing and communications. This will ensure that Energy Suppliers and the CMRM will be able to share accurate and correct data with the parties involved in CMR work. This, according to R0043, will likely result in the reduction of administrative works and costs required to implement CMR solutions.

Furthermore, by making this change and developing a full end-to-end solution to enable smart metering within CMRs, more consumers will be able to benefit from smart metering and the associated advantages.

During an impact assessment carried out as part of the development of R0043 it was highlighted by a respondent that there is the potential for resolution works carried out in CMRs to generate complaints from consumers who may be expecting to have a smart metering installation at the same time. While we note this concern, we are in agreement with the Proposer and consider that this change is essential in forming part of the solution that would allow these consumers to have a smart metering installation which may otherwise be difficult or impossible to complete in a CMR. R0043 empowers CMRCs to instigate resolutions for CMRs and open the benefits of the smart metering rollout to a wider base of consumers. We also believe CMR resolution activity may offer Energy Suppliers additional engagement opportunities with consumers to promote, schedule and complete smart metering installations.

(c) to drive continuous improvements and efficiencies in the operation of the REC and the central systems and communication infrastructure it governs

We believe that R0043 will have a positive impact on applicable REC Objective (c) by creating a clear role for the CMRC and CMRM ensuring they are able to communicate with Energy Suppliers and DNOs. The use of existing market messages will ensure that information is communicated safely, accurately, in a timely manner, and as completely as possible between all parties and is consistent with other metering operations. We agree that, by utilising existing market messages and industry communications infrastructure, it will allow for CMRs to scale at pace ensuring that consumers in MDUs can realise the benefits of smart meters at the earliest opportunity.

Decision notice

In accordance with Standard Condition 11B of the Electricity Supply Licence and Standard Condition 11 of the Gas Supply Licence, the Authority hereby approves REC Change Proposal R0043: 'Commissioning of works by The Crowded Meter Room Coordinator (CMRC) to resolve issues in crowded meter rooms'.

Michael Walls

Head of Retail Market Operations and Smart Metering

Signed on behalf of the Authority and authorised for that purpose