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Smart meter guaranteed standards: Supplier Guaranteed Standards of Performance Consultation

Dear Graeme,

Thank you for the opportunity to respond to the published consultation on Smart meter guaranteed standards: Supplier Standards of Performance. The Smart Energy Code (SEC) sets out the technical standards that underpin how smart meters communicate securely and efficiently with the central systems, and Smart Metering Equipment installed in homes and businesses and therefore we wished to share our views on a few aspects of the consultation through the lens of our role and experience of the market and underlying operational and technical issues.

We recognise the issues with smart meters being unable to provide correct consumption data, either due to not operating correctly or communication failures. We are fully supportive of activities to address these problems and appreciate the value of consumers and energy suppliers having access to accurate data from smart meters.

We have particular concerns around the number of issues that mean that smart meters are not always able to operate effectively or communicate at all. We have recently been working with the Department for Energy Security and Net Zero (DESNZ) to look at the underlying issues that cause these metering problems. To that end a set of definitions for 'Smart Meters Not Operating in Smart Mode' (SMNOSM) has been developed by DESNZ (under the Smart Metering Implementation Programme (SMIP)) as a means of understanding which meters are in this state and what is causing the meter not to be able to communicate effectively.

We would strongly encourage Ofgem to look at these definitions in considering any new or enhanced obligations to be placed on energy Suppliers and, where able to do so, for Ofgem to make use of the definitions for consistency. In particular, we believe that, as proposed in the consultation, the development of the "in scope", "smart meter" and "not operating in smart mode" terms as part of this Guaranteed Standard of Performance (GSOP) should reference the DESNZ definitions. Given that the DESNZ definitions are already in use across the energy sector, this will avoid confusion and ensure consistency of analysis and allow a read across from any Guaranteed Standards and monitoring of progress on addressing the underlying issues.

It is worth highlighting that there are a number of premises where it is not technically feasible or possible for a smart meter to be installed, for example where the DCC's Wide Area Network (WAN) Coverage database indicates that telecommunication signal coverage at the premises as False (that there is no coverage), or where the Supplier has raised a No-WAN incident to the DCC as a result of the visit (where a Supplier has been unable to connect to WAN despite the DCC's WAN Coverage Database indicating coverage as 'True'). Given that there is a robust process for recognising where meters will not be effective, we believe that it is really important

that these premises are excluded from any GSOP calculation, as the reason that the meter is unable to perform is due to either technical issues or problems with the underlying infrastructure – not anything that can be controlled nor resolved by the Supplier. If Ofgem takes this approach it will ensure that Suppliers are not penalised for aspects of the service that are not working through no fault of their own.

Whilst the WAN issues noted above do affect a large number of customers and premises, we recognise that, more generally, a significant challenge faced with a SMNOSM is determining the root cause of the issue. The exact cause of the failure to operate as expected is not always clear and therefore, by extension, the party responsible for the resolution of an issue may be difficult to determine. We recognise that many obligations for resolution sit with the Supplier, even though the issue may not be caused by it. We therefore feel this should be considered as part of the GSOP and would be happy to work with Ofgem to understand what SEC can do to assist in determining who is responsible for the issue meaning that the meter is not communicating.

Further to the issues noted above, the situations faced by Suppliers can be more problematic when it inherits a non-communicating device following a Change of Supplier event. In particular this can be because a Supplier gaining a customer may not have a direct relationship with the manufacturer of a device it has inherited that has been installed at the customer's premise. The Meter Asset Provider (MAP) should have the necessary technical information which it can provide to the Supplier. However, we are aware that MAPs are not always able to provide the necessary technical information to the incoming Supplier in full or in a timely manner, nor is the MAP responsible for delivering technical fixes to a device's firmware for example. If the Supplier does not have an immediate relationship or contract with the MAP at the point of acquiring a the consumer, this can be a significant problem and will therefore be difficult to influence and resolve in a timely manner. Therefore, the proposed Ofgem standard to 'provide an explanation in 5 days' may often be a challenge and the Supplier will have limited recourse contractually or leverage to be able to obtain sufficient in this timeframe or indeed be able to gain any information from the MAP at all, where there is no existing relationship.

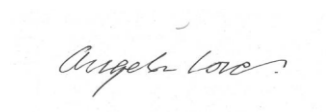
We would welcome the opportunity to work with Ofgem to review the proposed standards in the context of existing SEC and DCC contractual frameworks. Where Ofgem intends to introduce new obligations with specific timeframes, a dedicated workstream will be essential to assess whether these can be delivered within current contractual and technical constraints. If not, changes to the SEC and potentially the underlying DCC service provisions may be required to facilitate compliance. As such, should the proposals proceed in their current form, there may be consequential need for SEC modifications and this should be factored into the implementation approach and timelines.

We note the consultation proposes that if a smart meter is not operating in smart mode for 90 days, compensation would be due to the consumer. We believe the trigger point of this 90-day period should be carefully considered and outlined, specifically considering definitions and determination of the root cause of the issue. It should also take into account the definitions referenced previously. It is worth noting that it may not be viable to fix smart metering issues within 90 days, such as where a meter or Comms Hub requires a firmware update which will take the manufacturer longer than this time to develop, test and deliver. Delivery of a firmware update to a meter or Comms Hub is also completely reliant on there being reliable WAN connectivity at the relevant premises. For meter related issues, it is also worth noting that, currently, meter manufacturers are not required to be SEC Parties and therefore fall out of scope of SEC obligations and timeframes for resolution – which for meters gained by a Supplier upon churn in particular (whereby the gaining Supplier has no direct contractual relationship with the relevant manufacturer to enable them to influence timescales for delivery of potential new firmware fixes) should be noted. We believe that it is important to consider these types of issues and determine cases where fixing the smart metering issue in 90 days is not realistic or achievable and determine whether these cases should be excluded from the GSOP or subject to an alternative timeframe.

Finally, we believe some further consideration should also be given to how the GSOP is applied where a site visit is required to address a SMNOSM. It can often be the case that a customer refuses, or fails to respond to a request for a site visit and we believe that this should be considered. In particular, we would note concern here that if multiple payments can be received for continued non-operation of the smart meter customer may become incentivised to refuse access or fail to respond to such requests for fixes to be carried out. We therefore believe that refused visits and failure to respond to requests for visits should be considered as outside of the scope of a Supplier's responsibility, as it is for the SMIP.

We hope that the above provides some useful information and our teams of smart metering technical and regulatory experts remain available should you wish to explore any areas further. If you do have any questions, or would like any further discussions, please do not hesitate to contact [REDACTED] ([REDACTED]), Senior Strategy Manager, or consultations@seccoltd.com.

Kind regards,



Angela Love
SEC Panel Chair