

Minutes (Final)

Meeting name	Industry Metering Advisory Group (IMAG)	Meeting no.	13
Date of meeting	14 October 2008	Time	11.00am
Venue	Pink Room, ELEXON Ltd, 4th Floor, 350 Euston Road, London NW1 3AW		
In attendance	Russell Hamblin-Boone (Chairman) Mike Smith (Secretary) Sarah Jones Tom Chevalier Howard Porter Alan Knight-Scott Alan Dick Alan Jones David Moorhouse Jane Franklin Bob Loe Eric Fowler	Energy Retail Association (ERA) ELEXON ELEXON Association of Meter Operators (AMO)/Power Data Associates BEAMA/BEMCA ERA/EDF Energy UKMF ESTA/Truread National Weights and Measures Laboratory (NWML) ERA/npower BEMCA/Horstmann Controls National Grid Metering	

1 Apologies

- 1.1 Apologies were received from Chris Lawton (ENA/United Utilities), Richard Jeffers (SBGI/Sensus Metering Systems), Mike Buss (SBGI/Actaris UK Ltd), Steve Rowe (Ofgem), Adrian Rudd (NWML) and David Davidson (ERA/Scottish Power).

2 Approval of minutes from Meeting 12 on 10 July 2008

- 2.1 The minutes from meeting 12 were approved, subject to one minor amendment.

3 Matters Arising from Meeting 12 minutes

- 3.1 Action 3.2 on DM – DM reported that no formal minutes were available but the subject would be picked up later in the meeting when discussing the European Smart Metering Industry Group (ESMIG) Policy paper on national implementation of smart metering legislation. **Action closed.**
- 3.2 Action 3.3 on HP – The group felt that this action was no longer pertinent to current discussions. **Action closed.**
- 3.3 Action 3.4 on RHB – RHB suggested that this action would be covered under item 6 'Future role for IMAG' and governance arrangement for In-service Testing (IST3) would be picked up under item 4 'In-service Testing' of the agenda. **Action closed.**
- 3.4 Action 4.5 and 4.11 on RHB – RHB reported that the Ofgem Executive had not reviewed the IMAG Executive's recommendation on in-service testing at its latest meeting. However, RHB believed that SR was satisfied that IMAG had been through due process. **Actions closed.**
- 3.5 Action 4.13 on TC – TC reported on the IST3 group meetings later in the IMAG meeting under item 4 'In-service Testing'. **Action closed.**
- 3.6 Action 4.14 on Attendees – RHB confirmed that the Energy Retail Association were aware of the IMAG recommendations and that various members of the IMAG had made members of other

groups that they attend, aware. RHB also reported that Ofgem had recently requested relevant documentation from IMAG and the In-Service Testing meetings to place on their website. MS confirmed that all the minutes and papers from IMAG had been submitted. TC also confirmed that the IST3 minutes and Terms of Reference (ToR) had been submitted. RHB took an action to confirm this was the case. **Action: RHB**

<http://www.ofgem.gov.uk/Networks/Techn/Metrolgy/IndMeterng/Pages/IndMtrngAdvGrp.aspx>

- 3.7 Action 9.2 on Relevant members – TC reported that the AMO had cancelled their September 2008 Smart Metering Forum meeting but that it would be re-arranged for November 2008.

4 In-Service Testing

- 4.1 TC reported that after a pre-meeting on 12 August 2008 to discuss options for further work (or not), a new expert group (IST3) had now been established to consider the possible governance arrangements of in-service testing of Measuring Instruments Directive (MID) approved gas and electricity meters. The IST3 group's first official meeting was held on 5 September 2008. TC then went on to summarise the discussions at both the meetings.
- 4.2 At the pre-meeting TC mentioned that SR (Ofgem) had re-iterated that the market should lead the way on establishing the ground rules for in-service testing. This raised debate on how to get everyone to adopt those ground rules if the proposal put forward by IST1/2 was optional? The debate eventually stalled. The group agreed that the key objectives of any in-service testing regime should be that it is cheap and efficient and that any governance should somehow provide a hook into it. Suggestions included that suppliers be involved and that they should use Meter Asset Managers (MAM)/Meter Operators (MOP) or at the very least a regime could be used which was equal to or better than the IST1/2 proposal.
- 4.3 TC reported that at the first meeting of the IST3 group SJ had led the discussions on the Requirement Specification which was split into three sections; governance, administration and testing. The governance body would set and modify the rules (where necessary) and the administrative body would follow the rules with the process being carried out on an annual basis.
- 4.4 At that meeting DM agreed to provide some indicative costs for the whole process at the next IST3 meeting (which was held on 14 October 2008 not 29 September 2008 as suggested in the minutes in the link below) and EF agreed to lead on the analysis of how to implement it. TC concluded his report by saying that IST3 was aiming to finish its work by the end of the year. A copy of the minutes of the first IST3 meeting held on 5 September 2008 is available on the Ofgem website at:
<http://www.ofgem.gov.uk/Networks/Techn/Metrolgy/IndMeterng/IST3/Documents1/IST%20Meeting%203.pdf>
- 4.5 RL noted that meter manufacturers and Notified Bodies (including the WELMEC working groups WG7 and WG11) weren't among the membership in the ToRs for IST3 and questioned how relevant experience relating to reliability and durability assessments could be fed back. TC suggested that the governance body rules would include relevant people and that the process would evolve with experience. TC confirmed there would be a consultation at the end of the process.
- 4.6 TC asked how manufacturers see the data from current in-service testing to which JP added that they would be keen to see data going forward. BL said that arrangements existed for providing individual manufacturer's data for legacy in-service testing through AD (UKMF).

- 4.7 EF raised the possibility that the governance body could be subject to the Freedom of Information (FoI) Act and he was currently looking into it. EF suggested that the governance body could be a private company so that manufacturers' individual test results could be protected as commercially sensitive data. EF later added that there was a small exemption in the FoI Act that links to section 105 of the Utilities Act 2000.
- 4.8 AKS added that it was important to be clear about the governance, which is about who owns the process. TC suggested that SR was not keen for Ofgem to own the process to which AKS added that he was keen that they do. AKS mentioned the new Code of Practice (CoP) coming out of the Gas Interoperability Group and CoP10 which came out of the ELEXON Smart Metering Expert Group (with interoperability issues being looked at by ELEXON's Advanced Metering Expert Group) and that these CoPs would ultimately come under Ofgem.
- 4.9 AD mentioned a split of responsibility between NWML and Ofgem and DM picked up on this and mentioned the Memorandum of Understanding to be developed following the new Energy Act which will set out metrological responsibilities and legal enforcement powers. DM added that post-transfer NWML will deal with WELMEC, designating Notified Bodies and the metrology of other institutions but could not enforce the removal of a population of meters.
- 4.10 RHB asked if there was a role for a Trade Association taking over the governance arrangements to which AKS answered that the same sort of questions would still arise.
- 4.11 TC mentioned the ELEXON and Gas interoperability groups. The arrangements (CoP10) for electricity meters are nearly in place to support the advanced meter mandate in Jan 2009. The next Gas group meeting was scheduled for the following Monday (20th October 2008) and there is more work to do. The groups are currently looking at interoperability at the data set level.

5 Energy-Efficiency, Renewables and Demand-Side Management Expert Group – Update

- 5.1 HP reported that they were waiting for 2 reports from consultants who will report to the new Department of Energy and Climate Change (DECC) (which according to the website brings together much of the Climate Change Group, previously housed within the Department for Environment, Food and Rural Affairs (Defra), with the Energy Group from the Department for Business, Enterprise and Regulatory Reform (BERR)).
- 5.2 HP mentioned that the Structure Group (for domestic customers) will be looking at Market Models. This will include risk analysis (in particular whether the optimism bias in the BERR impact assessment report on Smart Metering roll out was appropriate or not) and international experiences. AKS added that the Structure Group is also asking questions about costs associated with stranding.
- 5.3 AKS said that the second two-day industry consultation meeting on market models with Structure Group/DECC/Ofgem on 6/7 October had been inconclusive. The meeting had divided into three discussion groups; one had supported the competitive model (option 1); one the supplier hub model with a communications overlay (option 2) and the third group had been divided
- 5.4 RHB asked if HP had had any contact with the ministerial team at DECC. HP hadn't. RHB added that the ERA had written to DECC asking for a meeting and was going to ramp up lobbying activity and hoped to give a demonstration of Smart Meters to them. The ERA is seeking to table an amendment to the Energy Bill on stranding and roll out as they had done before summer (at the report stage). RHB said he had sent out copies of the proposed Amendments, which are enabling clauses, to the IMAG members and that Ofgem would be gathering information about

contracts. RHB suggested that the clauses were not conclusive and may need additional consideration but that they were more likely to go through if they were not prescriptive.

- 5.5 AKS mentioned some countries that had already fallen foul of the European Commission in their roll out of smart metering (Spain and Holland) as the Commission believe that they are contravening the MID by legislating on additional requirements for meters. National meter specifications were seen by the EU as possibly contravening single market operation. AKS also mentioned that France had begun a trial of about 300,000 smart meters (with EDF specifying the requirements) and that Italy and Sweden had implemented their national smart meter roll outs prior to the MID coming in. It is understood that Sweden are now experiencing interoperability issues.
- 5.6 HP mentioned that the MID view is that the metrology should be in a discrete box separate from other functions of the meter (e.g. time of use, etc) and that the problem was a free market of goods issue not a technological one. HP added that this was a big problem in countries with liberalised markets but that in countries with non-liberalised markets they could take a commercial decision on smart functionality. HP then went on to say that the upcoming Gas and Electricity Directive will make the problem worse. HP noted that since the UK is the most liberalised market in Europe then if a solution can be found that works here then it should work elsewhere in Europe.
- 5.7 BL suggested that work began on the MID in 1989 and as a result it was backward looking. AD later added that he had worked on the MID and never felt that they would be killing off other meter functionality. AD also mentioned other UK specific requirements such as fixing arrangements, terminal spacing and reverse running.
- 5.8 AJ asked if HP's suggestion meant that all meters had to be modular. HP added that manufacturers would be happy with that but it is not what the market wants, plus you would still need to specify how the meter communicates with other devices. HP suggested that there needed to be a European solution (hence the ESMIG Policy paper).
- 5.9 AKS mentioned a recent meeting with the BERR on 2nd October 2008 at which several options were put forward:
- i) A general license condition requirement to ensure interoperability (leaving the solution to commercial arrangements); or
 - ii) Change the MID; or
 - iii) Create a European Standard (talk to the Dutch, who are developing a specification, and do something with them); or
 - iv) Escalate the issue politically.
- 5.10 On the second option HP mentioned that John Parsons (BEMCO) had done some work on the potential to added a new annex to the MID to specify the minimum requirement for smart metering functionality. However the difficulty would be in agreeing it across Europe. HP also mentioned that the consumer protection package in the 3rd Annex could supersede the issue.
- 5.11 DM mentioned that Adrian Rudd (NWML) and Eleanor Brooks of had a meeting with Daniel Hanekuyk (DG Enterprise – The European Commission) but that they hit a metaphorical brick wall in the discussions.

- 5.12 The group then went on to discuss how/where to apply pressure in order to deal with interoperability issues. HP mentioned piggybacking with EURELECTRIC and AKS that the outcome of the two recent meeting was to have a GB position paper.

6 Future Role for IMAG

- 6.1 RHB announced that he was leaving the ERA at the end of the year and raised the question of whether or not IMAG was worth continuing.
- 6.2 Many members of the group agreed that IMAG had no teeth. RHB stressed that the group remained focused on two immediate issues, which are now concluded, and IMAG members chose not to use the IMAG for any additional purpose. TC and JF considered it useful to have a forum where issues similar issues could be discussed. JF was in favour of having another 'consolidation' group with power and added that this would benefit Ofgem and the Industry. HP suggested an independent body was needed that could be part of Ofgem (or split off) but that it needed to be co-ordinated and government sponsored and that IMAG could carry out that role but it would need high level people on it. RHB suggested the new government department DECC might be able to help.
- 6.3 AKS questioned whether, as constituted today, IMAG had a role. HP added that it did until IMAG knew what was going to happen.
- 6.4 RHB suggested the IMAG chairman could write to Ofgem and DECC outlining the work done with a suggestion to cease further work, be sidelined and exist virtually or propose further work the IMAG should be engaged in. RHB recommended that any future ToRs should be issue specific and that it would be a good idea to sounds these proposals out individually with Ofgem and DECC then look to arrange a meeting. TC requested a copy of the briefing note. AKS suggested that timing was crucial to which TC and JF added that now is the right time.
- 6.5 RHB agreed to take an action to:
- i) Write to DECC/BERR;
 - ii) Speak to the IMAG Executive; and
 - iii) Send the briefing note to IMAG members.

Action: RHB

7 Date and time of next meeting

- 7.1 A suggested date for the next meeting was 14 January 2009. This would be confirmed (or not) depending on the outcome of the meeting RHB was to arrange with Ofgem and DECC. RHB would report to the IMAG stakeholders after this meeting.

Action: RHB