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Smart Metering Stakeholder Workshop on the Data and Communications Function

8 March 2010

Agenda

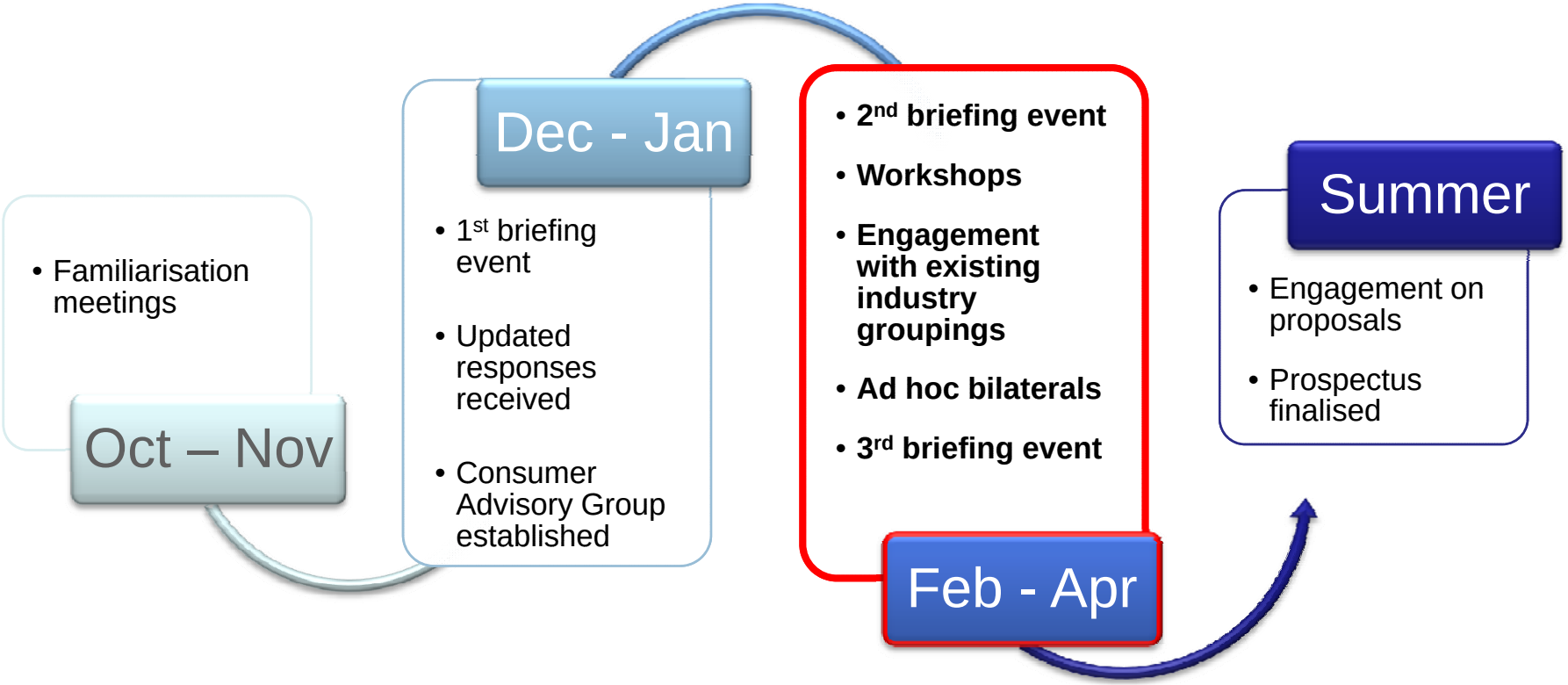
10.00	Welcome and introduction to stakeholder workshop
10.30	Break-out session 1 - Data and Communications function activities
12.15	Feedback to all
13.00	Lunch
14.00	Introduction to afternoon session
14.15	Break-out session 2a - Data and Communications function structure
15.00	Break
15.15	Break-out session 2b - Data and Communications function realisation
16.00	Feedback to all
16.45	Closing remarks

Introduction

The Government decision on the Central Communications model

- "An approach in which …. communications are coordinated centrally offers the best model for smart meter roll out"
- Two-way communications to meter systems enables:
  - Comms between the meter and designated organisations (including access control and security)
  - Remote provision of meter reads/ information
  - Upload/ download of data (e.g. remote configuration, diagnostics, software changes
  - Remote disablement/ enablement of supply (gas pending)
  - Enablement of demand-side management (electricity)
  - Exported electricity measurement/ microgenerator generation data
- The centralised data function:
  - Carries out routing of necessary industry data flows
  - Has scope to simplify and improve industry processes

Stakeholder engagement



Context

Phase 1 outputs

- Statement of design requirements
- Commercial and regulatory framework
- **Central data/comms model**
- Roll out approach
- Implementation strategy

- One in a series of workshops
  - Roll out,
    22 Feb – completed
  - Functional specification,
    1 Mar - completed
  - Central data/comms,
    8 Mar
  - Implementation strategy,
    15 Mar

Workshop provides an opportunity to contribute to and help test possible Phase 1 outputs

Aims of the day

Morning session

- Gain stakeholder views regarding the range and scope of the Data and Communications function's activities
- Assess stakeholder's views regarding the impact of change on existing industry processes

Afternoon session

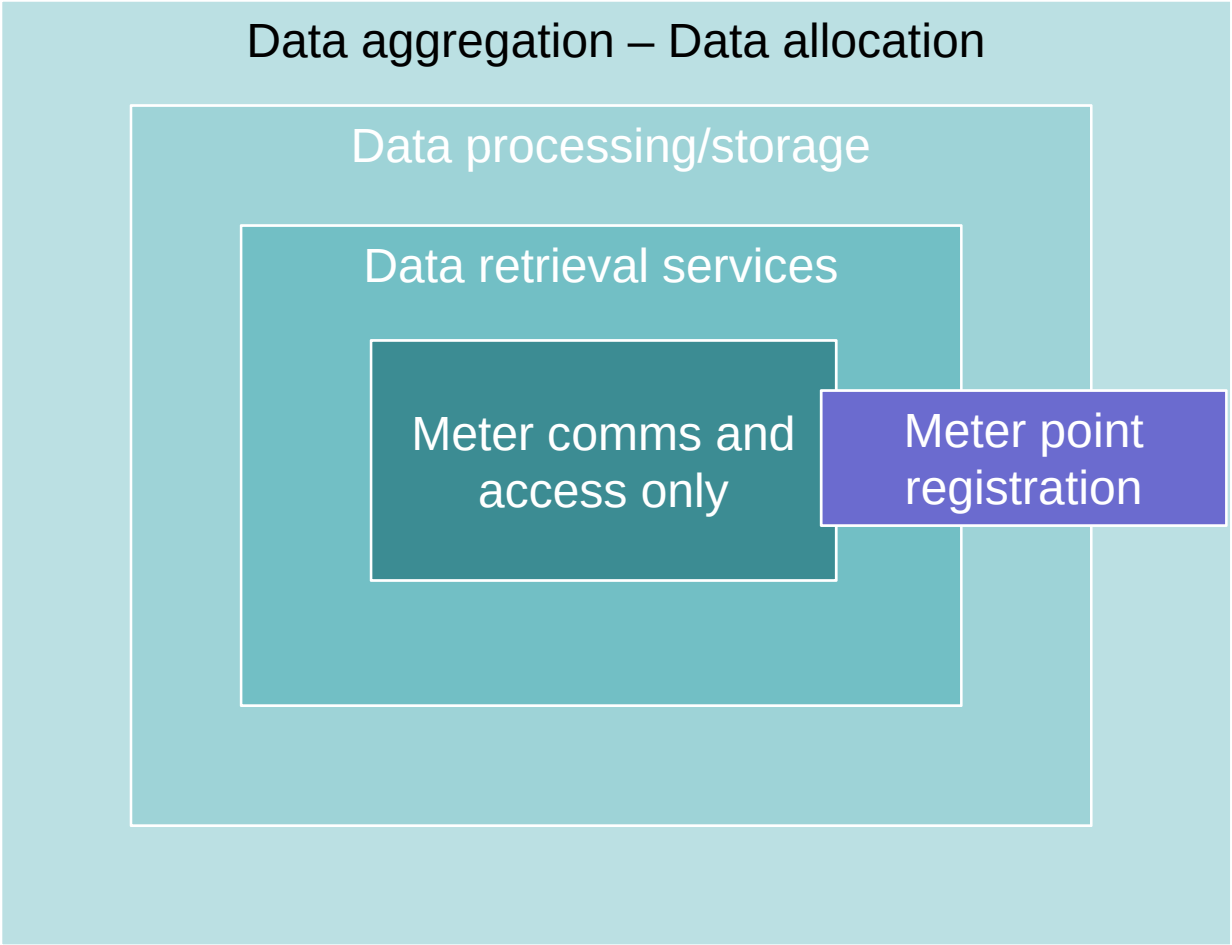
- Gain stakeholder views on the structure and realisation of the Data and Communications function
- Highlight any constraints on technology solutions

Approach

- Four different groups assembled from full range of attendees
- Aim is to discuss topics and issues arising and obtain views of stakeholders:
  - Activities of Data and Communications function
  - Structure and realisation of Data and Communications function
- Approximately 2 hours to consider each area
- Each group will have a chair (stakeholder) and a facilitator (Ofgem)
- Chair to feed back results of discussions to the main group – 10 minutes each
- Ofgem to facilitate discussions as needed
- Ofgem will not be producing detailed minutes for the workshop
- Headlines of the discussions at feedback sessions will be published as soon as possible after the workshop

What is the right scope for the data and comms functions – and roadmap?

- What should exist on Day 1?
- What is the road map for future development?
- Should it be common to gas and electricity?
- What are the implications for other meter registration systems?
- Should additional data be registered centrally?



There is a spectrum of potential approaches for central functions with some presented below

Activity			
Data management	Access control and WAN provision only	Data retrieval services	EAC/AA/AQ calculations+ data storage
Meter Registration	Not in scope – central comms is user of data on existing registers	Acts as agent of DNOs and GTs to provide service for relevant meters	Fully responsible for relevant SM meter registration
Register data transfer	Transfer gradually as smart meters are rolled out	Migrate all data in readiness for Day 1	
Use of HH/DM settlement potential	Wait until end of roll out	Enable with gradual migration based on consumer choice	Fast migration to enable cost reflective pricing
Change of supplier process	Leave current processes unchanged	Keep separate processes under MRA and SPAA but reform for smart meter reads	Create new converged process under common governance arrangements
Market segments (SME/ domestic)	Domestic only	Domestic mandated, SME at supplier choice	Domestic and SME mandated

Options in each column are not intended to align. Each row is independent. There are constraints on extent to which different options can be combined. Options are not exhaustive.

There are a number of cross-cutting considerations

- What are the essential changes needed to deliver the benefits identified in the DECC impact assessment?
- Is there a trade off between doing more on Day 1 and speedy delivery?
- How best to take account of the interests of network companies (e.g. for smart grids) and other potential users such as ESCOs?
- How can the smart metering implementation programme provide future flexibility without compromising cost/ benefit case?
- Should the services offered by the Data and Communications function be structured differently with respect to gas and electricity?
- What are the service level requirements that the Data and Communications function should offer to users – for example key principles on reliability, security, frequency, interoperability, third party access, flexibility, adaptability and charging arrangements?
- What needs to be mandated and what can be left to the market?

Key criteria for assessment

- Economic efficiency (including implications for costs and benefits)
- Industry impact (including promoting competition and industry simplification)
- Consumer impact (engagement, behaviour change, protection)
- Meeting 2020 objective
- Risks
- Consequential impacts (implications for other issues or policy questions)

Feedback session

Afternoon

Aims of the day

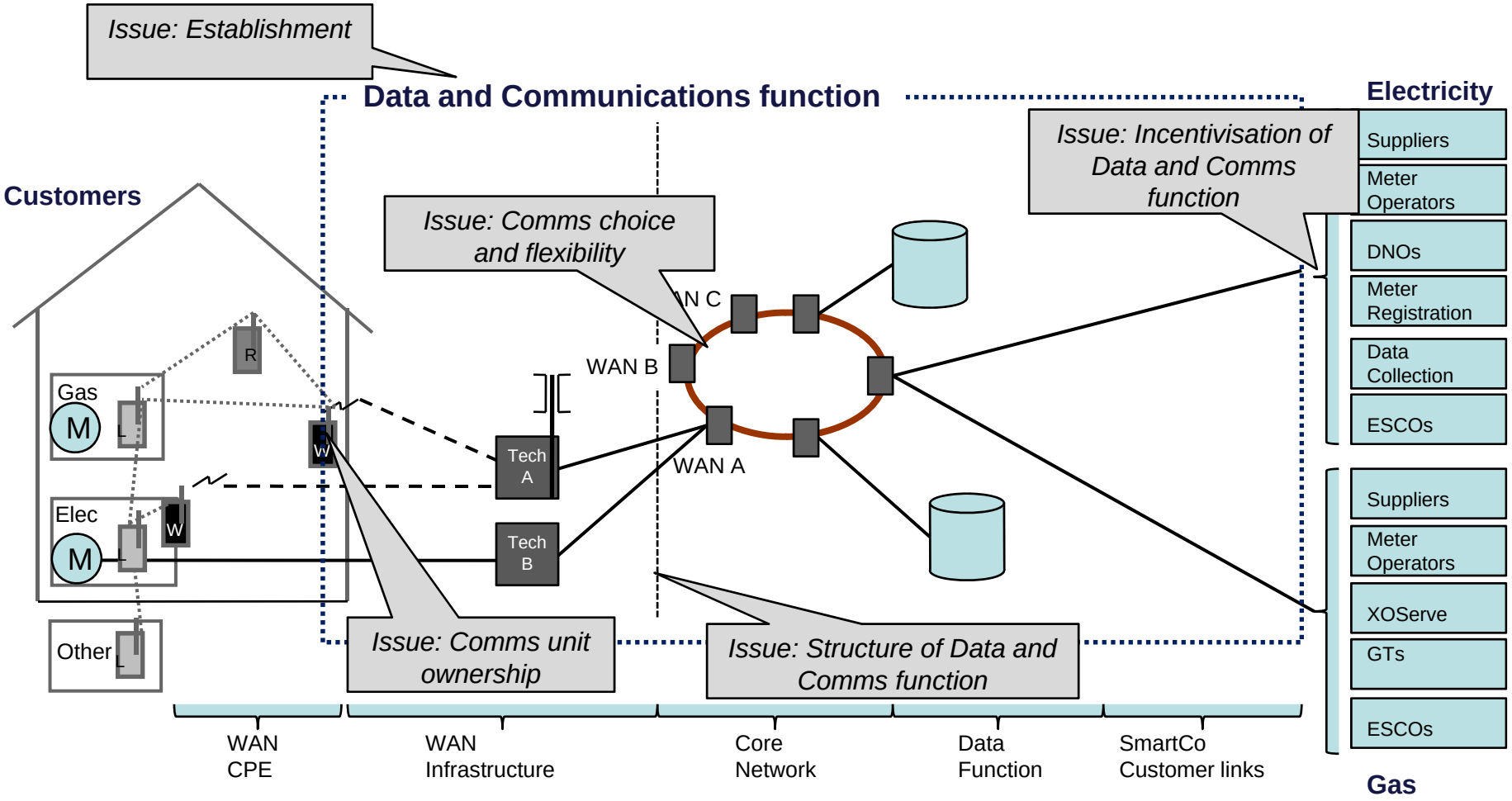
Morning session

- Gain stakeholder views regarding the range and scope of the Data and Communications function's activities
- Assess the stakeholder's views regarding the need for change in existing industry processes

Afternoon session

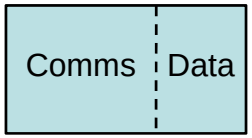
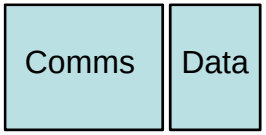
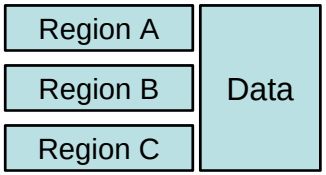
- Gain stakeholder views the structure and realisation of the Data and Communications function
- Highlight any constraints on technology options

Summary of structure and realisation issues



[Layout and configurations are illustrative]

Some possible approaches for structuring the Data and Comms function

	Integrated Data and Comms functions	Separate Data and Comms functions	Multiple regional instances of Comms function
Structure of Data and Comms function	 "DataCommsCo"	 "CommsCo" "DataCo"	
Ownership of comms module in the house	**Owned by Comms function** 	**Owned by supplier** 	

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Key questions - considerations

- How to provide certainty to encourage development and maintain flexibility to respond to technology, commercial or regulatory change?
- How to maintain contestability and deliver against a centralised operating model?
- How to bring the Data and Communications function into being as quickly as possible and how to manage it (for example, data first followed by comms)?
- How to ensure that the benefits of Smart Metering are realised by the development of the Data and Communications function, on time and efficiently?
- How to ensure that the opportunity offered by the Data and Communications function is best packaged for potential providers?
- How to incentivise the Data and Communications function service provider and allocate risks appropriately?
- How to ensure that the range of possible solutions for Smart Metering communications is not unduly constrained?

Key criteria for assessment

- Economic efficiency (including implications for costs and benefits)
- Industry impact (including promoting competition and industry simplification)
- Consumer impact (engagement, behaviour change, protection)
- Meeting 2020 objective
- Risks
- Consequential impacts (implications for other issues or policy questions)

Feedback session

Closing remarks
and
Thank you

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