

Intellect Response to Ofgem

Annex 6: Non-Domestic Sector

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Chapter 3

Do you agree with our proposed approach to exceptions in the smaller non-domestic sector?

Intellect members are generally happy with these exceptions, noting that the exclusion of smaller non-domestic consumers from the DCC does make sense where advance metering is already installed. However, many of our members experienced in these fields emphasise that exceptions are generally undesirable, as they will reduce the level of benefits delivered by smart metering. Indeed, they should only exist in extreme circumstances where the cost of delivering smart metering exceeds the benefits delivered or there is an unacceptable risk associated with deploying smart metering technology and processes.

Additional suggestions from our membership include a review of how in future the non-domestic consumer data will be coupled with domestic data to provide the network operator a clear view of local network demand profile.

We have also noted concerns regarding the exception on the grounds of supply interruption being risky or expensive.

Chapter 4

Do you agree with the proposed approach that use of DCC should be optional for non-domestic participants in the sector?

Intellect members largely understand this approach, however we would recommend that this not be seen as a long-term solution and that some development be undertaken as to how in future the consumption data will be collected and used to provide a more complete view of the demand profile suitable for smart grid implementations.

Our members have also suggested the following implications which should be considered in order for the current issues which have resulted in this decision to be overcome. These include that:

- Other industry players may be interested in the data (e.g. DNOs for load planning purposes) and the DCC provides a hub through which data can be routed (and anonymised if required)
- Alternative solutions should adhere to the same level of end-to-end security as the DCC
- The DCC will be required to provide universal, national communications coverage and to obtain the lowest unit cost per premise – this is best supported by all smart metering traffic being placed over the DCC WAN.

To what extent does our proposed approach to the use of DCC for non-domestic customers present any significant potential limitations for smart grids?

Further work is needed on smart grid definitions and implications in order to be able to fully answer this question – and engagement with industry bodies such as Intellect is essential for this.

At the present time, our members have suggested that the focus of the current roll-out is clearly to deploy consumer smart metering to allow the drive for reduced carbon usage to be realised. The focus on the design of the smart metering and DCC solution is focused on consumption visibility and settlement. Smart Grids have a different set of requirements such as a complete near real-time view of network demand profile. Thus the profile of data collected by the DCC without the non-domestic consumption may not have enough coverage for a complete network view which may impact the successful development of smart grid technologies.

Is a specific licence condition required to ensure that metering data for non-domestic customers can be provided to network operators or DCC, and should any provision be made for charging network operators for the costs of delivering such data?

Our members have raised the following concerns with charging network operators for the costs of delivering this data:

- If the DNO is charged for use of metering data that has already been collected for supplier use, it may be seen as a double charge for the data provision. The charges then may be rolled into the network service charges. Should the charges be a hindrance to the commercial operation of the network the DNO may elect to use their own aggregated metering instead of the domestic metering, which may delay the deployment of demand response schemes.

One solution suggested by our membership is that it would indeed be helpful to augment the existing Distribution and Use of System Agreement requirement with a licence obligation, and also that there may also be a role here for the Smart Energy Code. The inter-relationship between the licences, agreements and Codes will be an important element of the arrangements.

In addition we have received concerns whether this condition focuses more on charging arrangements for connectivity and usage, rather than metering data. The requirement for data to be provided free of charge implies more of a 'from time to time' arrangement than will be the case when smart metering is rolled out.

A section of our members also note the recommendation that the use of the DCC is not mandated for non-domestic customers given the existence of a current market - however the DCC will still potentially be seen as 'dominant' due to the comparative scale of the consumer market. One suggestion is that a licence provision should be made for the provision of metering data for non-domestic customers and that a charging mechanism should be established (which needs to be competitive with the existing market but regulated).

Chapter 5

What steps are needed to ensure that customers can access their data, and should the level of data provision and the means through which it is provided to individual customers or premises be a matter for contract between the customer and the supplier or should minimum requirements be put in place?

For smart metering to achieve its stated benefits for the non-domestic sector, Intellect members agree that customers should be able to obtain consumption information free of charge as with the domestic sector at a 'useful level' (which requires further definition) of detail and format. However, the practicality for achieving this needs to be tested and any standards required to do so should be shaped by the industry – and Intellect is well placed to assist here.

Many of our members believe that a centralised access control layer is required to secure the communications and data infrastructure for the non-domestic customers. Access control needs to be bi-directional to ensure that the industry has specific and role-based access to meter data while assuring that scheduled reads, alarms, configuration updates and real-time messages are sent to valid, authenticated end-points which could be an ICT system (Information and Communication Technologies) for a non-domestic customer. Our members have suggested that any access should follow the principle of 'Defence in Depth' and include basic controls like firewalls and gateways, but should also include Identification, Authorisation, Authentication and Public Key Infrastructure (PKI).

Do you agree with our approach to data privacy and security for non-domestic customers?

Intellect members have suggested more consideration is required for non-domestic customers as regards the approach to data privacy and security. It is even more imperative that standards and interoperability agreements are established early in the smart metering lifecycle, as failures could have larger impacts on the system and customers due to the additional accumulation and association requirements of data collection. This, in turn, may require extra security enforcing functionality to protect the non-domestic customers. One suggestion we have noted is that, rather than an overarching high-level system approach, a separate threat, vulnerability, impact and risk assessment for non-domestic consumers needs be produced. This will enable a more pragmatic approach to security rather than mandating any extra restrictive security enforcing functionality on to domestic customers. All risk assessments need be shared with suitable industry suppliers, as this will ensure that the 'secure by design' principle and a common baseline is achieved.

Once this is released, an **industry-attended security working group** would need to agree interoperability and security standards – Intellect has already been active in helping support this and is keen to continue to assist. This could be supported by the setup of a Security Governance Framework to ensure compliance and would furthermore need to be supported by an overarching Security Management Centre (SMC). The SMC would have ability to monitor; enforce and incident manage any issues or non-compliance on the smart metering system on behalf of the Security Governance Authority.