

Jane Eccles Smart Metering Implementation Programme Department of Energy and Climate Change

Your Ref: 13D/327

Direct Dial: 020 7901 7065 Email: nigel.nash@ofgem.gov.uk

Date: 30 January 2014

Dear Jane,

Our response to the Department of Energy and Climate Change's (DECC) consultation on the regulatory arrangements for enrolment and adoption of Foundation Meters.

We would like to respond to DECC's proposal for SMETS 1 meters to be enrolled into the DCC.

Your consultation seeks views on the proposal for the Smart Energy Code (SEC) Panel to approve Enrolment Project Feasibility Reports (EPFR) and for that decision to be appealable to Ofgem.

We support the proposal for the DCC to prepare an EPFR so that SEC parties can understand its approach to developing a solution for SMETS 1 meters, and the associated comms. We understand there will be a consultation with SEC parties (and potentially others) on developing an EPFR, although this is not explicitly stated in the consultation document.

There is currently some uncertainty over what the impact and benefits will be from enrolling SMETS 1 meters. We understand DECC is planning to consult on the authorisation criteria that the panel will have to consider. Our concern is whether it is appropriate for the SEC panel to decide whether the DCC should proceed with an enrolment project. This may require the panel to consider a wide range of factors, some of which will be outside the scope of the SEC.

We think a more appropriate approach would be for an EPFR to be treated as a SEC modification (likely to be a Path 2 modification), that can be considered through the enduring SEC modification process. This would have the advantage of an established governance framework that provides for consultation on the modification report, which would then be sent to Ofgem so that Ofgem can decide whether the modification should be made. When considering a code modification, we will look at the SEC objectives along with our principal objectives and wider public law duties.

We look forward to continuing our engagement with DECC on developing the regulatory framework for the enrolment of SMETS meters.

If you would like to discuss this response, please contact Philippa Pickford, philippa.pickford@ofgem.gov.uk or Nigel Nash, nigel.nash@ofgem.gov.uk.

Yours sincerely,

Rob Church **Associate Partner, Smarter Metering and Smarter Markets**