

Proposed variation:	<b>CR035 – Clarification SMICoP Self-Certification Pro-forma Use as a Statement of Compliance</b>		
Decision:	The Authority <sup>1</sup> has decided give approval to CR035		
Target audience:	SMICoP Governance Board, SMICoP Members, all interested parties		
Date of publication:	12 May 2016	Implementation Date:	27 June 2016

**Notice of the Authority’s decision on proposed Change Request CR035, “Clarification SMICoP Self-Certification Pro-forma Use as a Statement of Compliance”, produced under Section B2 of the Smart Meter Installation Code of Practice (“SMICoP”)**

**Background to the Change Request**

Before any energy supplier (‘supplier’) can begin the process of installing smart meters for their consumers, they must self-certify that they:

1. comply with all aspects of the SMICoP that apply to them, and
2. can provide evidence of their compliance on request.

Change Request 035 (“CR035”) aims to ensure that this process for suppliers is clear and unambiguous.

The aims of this Change Request are those that were originally set out in Change Request 028. We withheld approval for CR028 because the proposed legal text was ambiguous in the suggested self-certification deadline. CR035 seeks to follow the direction of CR028, but has more clearly and appropriately defined the legal text.

CR035 seeks to clarify two aspects of the self-certification requirement, as set out below.

*How should suppliers self-certify?*

The SMICoP Governance Board has developed a pro-forma for suppliers to use to fulfil this requirement. As currently drafted, the SMICoP does not prescribe a format for Self-Certification statements for signatories to submit to the Code Administrator.

At the SMICoP Governance Board (“SGB”) – Meeting 021, on 23 April 2015, Members<sup>2</sup> agreed to make minor modifications and circulate an updated version of a standardised self-certification pro-forma. However, this agreement did not formally crystallise as an express requirement in the SMICoP and, as a result, only some Members use it when submitting to the code administrator.

*When should suppliers self-certify?*

Currently the SMICoP does not clearly define a final backstop for when these certificates should be submitted.

To tackle these two challenges, SGB approved CR035 to standardise the SMICoP Self-Certification pro-forma as the statement of compliance, and give suppliers a clear deadline for submitting their first self-certification form to the code administrator.

<sup>1</sup> The terms ‘the Authority’, ‘Ofgem’ and ‘we’ are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

<sup>2</sup> “Member” means an organisation signed up to adhere to SMICoP.



## **The Change Request**

CR035 was raised by SSE, for a decision by the SGB on 31 March 2016.

The Final Change Report ("FCR") for CR035 was issued to us on 4 April 2016<sup>3</sup>. Parties had two weeks to make representations to us about the request, after which we had until 17 May 2016 to make a decision.

As discussed above, this change request has two objectives, to:

- a) set a standard format for self-certification statements, and
- b) make it clear to members when these statements should be submitted to the code administrator.

To achieve a), CR035 proposed to redraft Section B, 3.2 Self-Certification of Compliance, amending subsection 3.2.2 to include a direction for Members to use the standard SMICoP Self-Certification pro-forma, "provided in accordance with Section B Appendix 1". This clause will directly refer Members to the agreed pro-forma which will be appended to the Code.

To achieve b), CR035 proposed to add a new subsection, 3.2.3.1, to section 3.2.3:

"The first self-certification is due prior to a Member starting the Code Section 2 Pre-Installation of Smart Metering Systems. For subsequent Member self-certification, these Members will comply with the annual timetable as defined in Clause 3.2.5."

The drafting of the proposed amendments can be found at Appendix A of this letter.

## **The SGB recommendation**

On 31 March 2016, the SGB voted unanimously to accept the FCR for CR035.

## **Our decision**

We have considered the issues raised by CR035, the details set out in the FCR, and the votes of the SGB to accept the FCR for CR035. We have considered the Change Advisory Group's response and comments, which are in Appendix B attached to the FCR. We also considered these factors in light of whether CR035 would better facilitate the achievement of the objectives set out in Standard Conditions 41.2 and 42.1 of the Electricity Supply Licence and Standard Licence Conditions 35.2 and 36.1 of the Gas Supply Licence ("SMICoP Objectives"). We have concluded that implementation of CR035 would have a broadly neutral impact on the achievement of the SMICoP Objectives.

We have decided to give approval to CR035.

In coming to our decision we have also considered our wider statutory duties, including our principal objective to protect the interests of existing and future energy consumers.

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<sup>3</sup> To read the change request in full, please visit <http://www.smicop.co.uk/SitePages/Log.aspx>.



## Reasons for our decision

### Consideration against the SMICoP objectives

We have considered the impact of CR035 against the SMICoP objectives, listed below.

**Objective (a): the licensee and any Representative provides and maintains a standard of service which helps to ensure that Domestic Customers' experience of the installation of Smart Metering Systems at their premises meets their reasonable expectations**

**Objective (b): all activities undertaken by the licensee and any Representative in relation to the installation of Smart Metering Systems are conducted in a fair, transparent, appropriate and professional manner**

**Objective (c): Domestic Customers are given information about, and during, the installation of Smart Metering Systems which:**

**(i) is complete and accurate;**

**(ii) does not mislead them; and**

**(iii) informs them about the benefits of Smart Metering Systems and about what to expect in relation to the installation process;**

**Objective (d): Domestic Customers are not subject to unwelcome Marketing during any visit to their premises for the purposes of installing Smart Metering Systems.**

We have considered CR035 against each of the objectives listed above. CR035 relates to when and how suppliers self-certify their compliance with the SMICoP and its impacts on all of the objectives listed above. As one of three compliance monitoring tools that the SMICoP provides, it is important that the self-certification requirement is worded clearly. This is vital for us to be able to monitor suppliers' compliance with the SMICoP, and ensure that consumers are protected during the whole of their installation process.

The proposed wording changes in CR035 are helpful for both Members and potential Members in setting out more clearly when they are expected to submit statements of compliance. The proposed wording also helps clarify when the code administrator should expect submission from these suppliers, allowing for them to follow up with the relevant party if a submission is not received.

It is most likely that these governance changes will not create any direct change in the customers' installation experience. However, clarifying and simplifying the governance structures of the code may allow for greater transparency for us to understand suppliers' processes and ensure that suppliers are acting in a manner that does achieve the SMICoP objectives.

### Consideration against our principal objective

We also considered the impact of CR035 against our principal objective and general duties. Our principal objective is to protect the interests of existing and future energy consumers. We agree that there can be benefits to all Governance parties from using a standardised pro-forma for demonstrating compliance. We also agree that specifying a



clear time for when a self-certification statement should be submitted can help all governance parties. These improvements could then create a more coherent process for ensuring consumer interests are protected throughout the installation by ensuring that suppliers are compliant with the protections in the SMICoP. We are satisfied that the proposed legal text achieves these aims.

### **Conclusion**

We are satisfied that the SGB has taken into account the concerns we had with CR028 and have made the necessary changes to the proposed legal text in CR035, such that the aims of the change request are achieved with consideration for the all activities set out within the code.

We are also satisfied that the SGB has now formalised the pro-forma for Self-Certification and that this can now be found appended to the Code.

### **Decision Notice**

In accordance with the paragraph 2.7.5.1 of Section B to the SMICoP, we hereby give our approval for CR035.

**Rob Salter-Church**

**Partner, Consumers and Competition**

Signed on behalf of the Authority and authorised for that purpose

## Appendix A: proposed amendments to SMICoP, section B

### 3.2. Self-Certification of Compliance

3.2.1. Self-certification is a statement signed by a board director of the Member stating compliance (at the time of signature) with all relevant clauses of the Code, along with confirmation that there is supporting material evidence of compliance;

3.2.2. Self-certification statements, [provided in accordance with Section B Appendix 1 including any additional Member statements](#) will be provided to and retained ~~at~~[by](#) the Code Administrator;

3.2.3. Self-certification will be annual~~;~~

~~3.2.3.1 T-with the first self-certification shortly after the Code is in force. Any new Members will provide a first self-certification~~[is due prior to a Member starting the Code Section 2 Pre-Installation process for Smart Metering Systems. For subsequent Member self-certification, these Members will comply with the annual timetable as defined in Clause 3.2.5.](#)

3.2.4. The first self-certification statement should state that processes are in place for providing the material evidence of compliance for all [relevant](#) elements of the Code (post-approval from the Authority); and

3.2.5. Subsequent self-certification statements shall state that those processes are working appropriately, in addition to confirming that material evidence is available if requested by the Authority. Each subsequent self-certification statements will be in place by the 1st June each year.

**Appendix B: proposed Self-Certification of compliance proforma**

[TO BE PRINTED ON COMPANY'S LETTERHEAD]



The Code Administrator  
SMICoP Limited  
2 - 3 Golden Square  
London  
W1F 9HR

**SMICoP Self Certification Statement of Compliance**

I hereby confirm that [ *Insert Company Name* ] is compliant (at the time of signature of this Self Certification) with all relevant clauses<sup>1</sup> of the Smart Metering Installation Code of Practice (the “Code”) and I confirm that there is supporting material evidence of compliance.

[I confirm that processes are in place for providing the material evidence of compliance for all elements of the Code]. [I confirm that the processes that are in place for providing the material evidence of compliance for all elements of the Code are working appropriately and that material evidence of this can be provided if requested by the Authority.]<sup>2</sup>

Company Name: .....

Company Address: .....

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Signature (Board Director):.....

<sup>1</sup> Parties should decide themselves which are the relevant clauses within the SMICoP taking into account the different requirements for Domestic and Micro Business customers and being mindful of the specific clauses relating to Vulnerable customers.

<sup>2</sup> For the initial self-certification Members should use only the first sentence in square brackets and should delete the second sentence. For all subsequent self-certifications Members should delete the first sentence in square brackets and should only use the second sentence in square brackets.