

Proposed variation:	CR028 – Clarification SMICoP Self-Certification Pro-forma Use as a Statement of Compliance		
Decision:	The Authority ¹ has decided to withhold approval of CR028		
Target audience:	SMICoP Governance Board, SMICoP Members, all interested parties		
Date of publication:	14 January 2016	Implementation Date:	N/A

Notice of the Authority’s decision on proposed Change Request CR028, “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 supplier can begin the process of installing smart meters for their consumers, they must self-certify that they comply with all aspects of the SMICoP that apply to them, and can provide evidence of their compliance on request. Change Request 028 (“CR028”) aims to clarify two aspects of this 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, Members² agreed to make minor modifications and circulate an updated version of a standardised Self-Certification pro-forma. However, this decision was not formally set out in the SMICoP and, as a result, only some Members use it when submitting to the Code Administrator.

When should suppliers self-certify?

The SMICoP does not clearly define a deadline for when these certificates should be submitted.

To tackle these two challenges, SGB approved CR028 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.

The Change Request

CR028 was raised by SSE, for a decision by the SGB on 26 November 2015.

The Final Change Report (“FCR”) for CR028 was issued to us on 30 November 2015³. Parties had two weeks to make representations to us about the request, after which we had until 14 January 2016 to make a decision.

As discussed above, this change request has two objectives:

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

² “Member” means an organisation signed up to adhere to SMICoP.

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



- 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), CR028 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”.

To achieve b), CR028 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 installation of Smart Metering Systems. For subsequent Member self-certification, these Members will comply with the annual timetable.”

The drafting of the proposed amendments can be found at Annex 1.

The SGB recommendation

On 26 November 2015, the SGB voted unanimously to accept the FCR for CR028.

Our decision

We have considered the issues raised by CR028, the details set out in the FCR, and the votes of the SGB to accept the FCR for CR028. 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 CR028 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 CR028 would have a broadly neutral impact on the achievement of the SMICoP Objectives.

We have decided to withhold approval of CR028.

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

Reasons for our decision

Consideration against the SMICoP objectives

We have considered the impact of CR028 against the SMICoP objectives, which are 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 CR028 against each of the objectives listed above. CR028 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.

However, given the ambiguities in the current and proposed wording, it is not possible to compare how companies would operationalise either the current or proposed approach. It is, therefore, difficult to determine whether CR028 would have more than a neutral impact on each objective. It is most likely that these governance changes will not create any direct change in the customers' installation experience

How should suppliers self-certify?

CR028 introduces a requirement for suppliers to use a standard pro-forma to self-certify. In principle, this appears a sensible standardisation. However, the legal drafting fails to make clear what the standard SMICoP Self Certification pro-forma is. Specifically, it does not include a definition, or describe how it came to be (eg through a board direction), or state where to find a copy. This brings an element of ambiguity to the attempt to standardise the format of the statement. This could make it more difficult for suppliers to comply with the requirement.

When should suppliers self-certify?

The SMICoP is designed to protect consumers throughout the installation process, and includes requirements for suppliers to meet before, during and after the installation visit. Suppliers should therefore self-certify their compliance by the time they start this process. However, we consider that CR028 only requires suppliers to self-certify before they carry out the installation visit. As a consequence, suppliers risk starting their installation process before they have self-certified their compliance with the SMICoP. If we do not have a supplier's self-certification statement, we cannot be sure that they comply with the SMICoP, and we cannot, therefore, ensure that consumers' interests are protected throughout the installation process.

Consideration against our principal objective

We also considered the impact of CR028 against our principal objective and general duties. Our principal objective is to protect the interests of existing and future energy



consumers. We do not have any particular concerns with SGB's intentions with this change request. 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 by ensuring that suppliers are compliant with the protections outlined by the SMICoP. However, we do not consider that the proposed legal text achieves that latter aim and the drafting would introduce confusion.

Conclusion

Our key concern with the proposed legal text is the reference to "a Member starting the installation" as the specified deadline for when a Member should submit a certificate of compliance to the Code Administrator. This is because the SGB and the Authority have considered that the term "installation" refers specifically to the installation visit and not to the whole process that is set out as the scope of the SMICoP (covering the "Pre-Installation", "Installation Visit" and the "Post-Installation"). Any approved deadline for Self-Certification with the SMICoP by Members should have consideration for the activities within the code that Members are obliged to certify with.

Decision Notice

In accordance with the paragraph 2.7.5.2 of Section B to the SMICoP, we hereby withhold our approval for CR028.

Rob Church

Partner, Consumers and Competition

Signed on behalf of the Authority and authorised for that purpose

Annex A: proposed amendments to SMICoP, section B

4.1 The proposed drafting amends SMICoP, Section B, as follows;

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, completed on the standard SMICoP Self-Certification proforma, will be provided to and retained ~~at~~ by the Code Administrator;

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

~~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 when a Member starts installing Smart Meters. For subsequent Member self-certification, these Members will comply with the annual timetable.

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.