



Smart DCC Ltd.  
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31 May 2016

Dear Sirs

### **Updated proposal to amend DCC's Implementation Milestones Consultation**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, combined heat and power plants, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We remain committed to the DCC and the benefits that it will bring by providing a common, secure interface between Suppliers and enrolled smart meters. This will ensure that customers can benefit from a seamless smart service from all Suppliers, whilst having confidence that the DCC is providing security for their data and their smart meter. However, we must stand on the side of the customer to ensure that the DCC is delivered economically and efficiently to minimise the impact on the customer bill.

We appreciate the opportunity to comment on the proposed changes to DCC's Implementation Milestones. However, it should be noted that as a DCC User we do not have a commercial relationship with the CSPs and that this relationship sits with the DCC.

We accept there have been a number of changes to GBCS and related specifications requiring milestones to be amended.

With such little time remaining for DCC Live it is eminently sensible to implement a two-release strategy such that IM9 and IM10 align with the latest DCC plan and are linked to the two delivery releases (R1.2 and R1.3), instead of a single release.

We agree with the removal of a milestone for Interface Testing readiness (IM8) now that it is a pre-requisite to achieving DCC Live (IM9) and Release 1.3 (IM10) Interim Milestones. Our agreement is subject to the full requirements of IM8 being fully met in both of the revised milestones.

We remain supportive of baseline payments being paid as an incentive to the DCC for the timely completion of Implementation Milestones. However, we are concerned with linking recovery of lost baseline margins from one implementation Milestone to the next, particularly where a milestone is late in being delivered which may result in additional costs to Users.

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We are unable to support the increase in weightings of 30% for IM9 and IM10 as we believe IM10 should carry a higher weighting to IM9 as it provides the functionality which will enable energy suppliers to commence rolling out SMETS2 meters. Neither do we support the equal division of weighting between the two CSP service providers as we believe the weighting should be split evenly between the three CSP regions.

Unfortunately, we are simply unable to support the proposed tapering penalties suggested in Tables 7 & 8 for both IM9 and IM10. The values proposed for the loss of BMIT do not truly reflect the impact upon Users for the delay in delivering IM9 and IM10 milestones. Whilst not wishing to dis-incentivise the DCC from delivering these milestones a 10% loss of BMIT for a 6 week delay appears far too lenient.

We have recently been made aware by DECC of the "contingency request", and the Further Overlap of SIT and Interface Testing consultation, both of which could have a material impact on the timing and criteria associated with the DCC proposal for Implementation Milestones. This response does not consider those impacts.

Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact my colleague Tony Neville on 01293 766836, or myself.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "A. Pocock".

**Ashley Pocock**  
**Head of Industry Change, Regulation and External Affairs, Smart Metering**  
**Directorate,**

**EDF Energy**

## **EDF Energy's response to your questions**

### **Q1. Do you agree with our proposal to update IM9? Please provide your rationale for your response.**

We accept the necessity to update the outstanding implementation milestone IM9 and agree that with only a few weeks remaining to DCC Live (R1.2) that the milestone should be linked to it.

However, we believe R1.2 is merely a stepping stone towards the delivery of DCC being fit for purpose and should not receive the same BMIT weighting as IM10. Release 1.3 (IM10) is expected to deliver sufficient functionality to allow energy suppliers to commence the rollout of SMETS2 meters. We therefore do not accept the proposed 30% weighting for IM9 as we believe this weighting to be too high. Furthermore, we do not accept the proposed even weighting split between the two CSP Service Providers and believe it would be more acceptable if the weighting were split by region.

### **Q2. Do you agree with our proposal to update IM10? Please provide your rationale for your response.**

Similar to our response to Q1 above, whilst we accept the linking of IM10 to Release 1.3 we reject the proposal to update the BMIT weightings to 30% as we believe this milestone should carry much more weight than IM9, and again believe an even weighting split between each of the three CSP regions is more appropriate.

We believe Release 1.3 should carry a much higher BMIT weighting than R1.2 (IM9) provided it delivers all of the required functionality. If however, functionality is deferred from R1.3 and rescheduled to a later release, the legitimacy of the R1.3 release will be undermined.

### **Q3. Do you have a preference between the two options for updating the recovery mechanism proposal? Please provide your rationale for your response.**

Although, we are supportive of baseline payments being paid to incentive DCC for the timely completion of Implementation Milestones, we are concerned with linking recovery of lost baseline margins from one Implementation Milestone to another; this is particularly important where there is no correlation between them. It would also not take into account additional costs to Users resulting from a milestone being delivered late.

We do not support either of the two options suggested in the consultation as it is unacceptable for the DCC to be able to recover any margin lost from IMs 1-8 against IM9. There clearly is need for a penalty regarding non-delivery of milestones against pre agreed dates. The penalty should be reflective of additional cost to Users.

We cannot accept the proposed tapering penalties suggested in Tables 7 & 8 for IM9 and IM10. The values proposed for the loss of BMIT do not truly reflect the impact upon Users for the delay in delivering IM9 and IM10 milestones. Whilst not wishing to dis-incentivise the DCC from delivering these milestones a 10% loss of BMIT for a 6 week delay appears too lenient.

**EDF Energy**  
**May 2016**