

On 6 December 2016 DCC held a briefing session for industry on the Initial Enrolment Project Feasibility Report (IEPFR), currently out for consultation, which sets out DCC's proposals for the initial Enrolment and Adoption of SMETS1 meters into a DCC SMETS1 Service.

This document summarises the questions asked by stakeholders prior to, during, and following the session, and sets out DCC's responses to those questions.

Answers provided represent DCC's best understanding at time of writing, and may not remain accurate over time, depending on external factors such as additional information received and/or changes to the regulatory framework.

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Subject Area: **Commercial**

Q1: *Will DCC consider excluding a cohort if commercial negotiations falter?*

A1: In the next phase of work DCC will assess the costs and the commercial viability of options. Once this work has progressed sufficiently, and more is known about likely commercial arrangements, a decision will have to be taken on the viability of enrolment for all cohorts.

Q2: *Can more information regarding commercial activity be made available to Industry?*

A2: DCC must manage confidential information in accordance with its Licence requirements and the provisions in Section M of the SEC. In accordance with DCC's Licence requirements however, we will publish contracts which DCC enters into in the usual way.

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Subject Area: **Costs**

Q3: *Industry costs are excluded from the IEPFR – are they included in Government's Cost Benefit Analysis?*

A3: BEIS has included a provision for the overall cost of enrolling SMETS1 meters into the DCC in the 2016 Cost Benefit Analysis (CBA). The IEPFR seeks information from stakeholders on the costs to them of implementing different options (Question 42 on p. 107). BEIS will take into account any new evidence received through the IEPFR in its analysis to support the decision by the Secretary of State.

Q4: *How are costs discounted in the IEPFR?*

A4: DCC have used the social discount rate taken from HMT's Green Book, which suggests a real discount rate of 3.5%.

Q5: *Where in the cost model is the highest uncertainty?*

A5: The cost model handles two types of uncertainty: that of fundamental risk to the enrolment programme and that arising from choices of enrolment solution. Both of these will change over time. For the former, we expect uncertainty to fall as the programme completes its high-level design. For the latter, this will fall as enrolment options are chosen and the enduring integration path is decided upon.

Q6: *Are all of the cohorts in the scope of the IEPFR viable both technically and economically?*

A6: DCC will determine the technical viability of options alongside cost data and then report this to BEIS who will consider this information alongside other relevant factors and policy requirements.

Q7: *Does DCC have all the cost information it needs, and has DCC been able to access all the information it has needed to submit the report to the Secretary of State?*

A7: DCC expects cost information provided in response to the consultation will provide further clarity on costs to inform its understanding. It should be noted that new provisions have recently been added to Section N of the SEC regarding the provision of cost information, and if further information is required, work to gather this can be directed under these arrangements.

Q8: *Why doesn't the IEPFR cost model include industry costs?*

A8: BEIS has included a provision for the overall cost of enrolling SMETS1 meters into the DCC in the 2016 CBA. The IEPFR seeks information from stakeholders on the costs to them of implementing different options (Question 42 on p. 107). BEIS will take into account any new evidence received through the IEPFR in its analysis to support the decision by the Secretary of State.

Q9: *What's the approach to charging?*

A9: Charging in relation to the SMETS1 Programme and SMETS 1 Services will be apportioned in accordance with the Charging Objectives and Charging Methodology as set out in the SEC.

Q10: *How confident are you about the security costs included in the cost model?*

A10: As design and security due diligence progresses, confidence in these costs will increase.

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Subject Area: **Implementation**

Q11: *What about further industry engagement (e.g. on technical changes)?*

A11: DCC will engage with industry throughout the design and delivery of the service, starting early in 2017.

Q12: *What about additional enrolment projects?*

A12: DCC does not anticipate that further changes to the scope of the Initial Enrolment Project will be made, although BEIS retains the powers to direct additional activity in relation to SMETS1 enrolment. In the future, enrolment projects may be undertaken as a result of modifications to the SEC.

Q13: *Any existing solutions identified for technical integration yet?*

A13: The IEPFR includes options for integration paths that integrate existing SMSO solutions into the DCC, and these will be considered alongside other options.

Q14: *What about SMETS1 testing?*

A14: SMETS1 Testing arrangements will be developed in due course as decisions are made regarding integration options. The SEC requires that DCC must prepare and follow an approach to testing that is consistent with the approach to testing set out in Section T of the SEC (as used for SMETS2).

Q15: *How will SMETS1 meter compliance be assured?*

A15: SMETS1 meter compliance is a matter for suppliers, and not DCC, as set out in Section N2 of the SEC.

Q16: *Do implementation options in the IEPFR include the delivery of all 37 SMETS1 Services?*

A16: Yes, the outline timelines contained in the implementation options in the IEPFR include delivery of the Minimum SMETS1 Services.

Q17: *How will Service Level Agreements (SLAs) be factored into a new SMETS1 Service?*

A17: SLAs for the SMETS1 Service are the subject of further design work and due diligence. At this stage, DCC does not have a comprehensive view of all SLAs for existing SMETS1 service providers.

Q18: *How will SMETS1 interact with Transitional Change of Supplier (TCoS) and Change of Supplier (CoS) arrangements?*

A18: There is no direct SMETS1 interaction with TCoS or CoS as the relevant credentials do not exist on the SMETS 1 devices.

Change of supplier with SMETS 1 is reliant on registration data and DCC granting suppliers access to devices as a result.

Q19: *What are the next steps in terms of consultation?*

A19: The consultation closes on 20 January 2017, after which DCC will assess responses and submit a final IEPFR to BEIS. The duration of the assessment of responses will depend on the number and nature of responses received, but we are aiming to submit the final IEPFR in early Spring 2017.

Q20: *What is the next phase and when does it start?*

A20: Consultation analysis aside, DCC will be continuing its design work on core technical capabilities (which underpin any option that is chosen) and its Target Supply Chain options.

Q21: *Will SMETS1 adoption be mandatory or voluntary for suppliers?*

A21: Currently, the regulatory framework makes clear that Suppliers are not mandated to enroll SMETS1 meters.

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Subject Area: **Pre-Payment Meters (PPM)**

Q22: *Will PPM Users need to be DCC Users?*

A22: This will depend on the options selected for PPM. In any solution which requires an industry participant to use DCC Service (for example any new UTRN generation service), the participant will need to be a DCC User. Entry requirements for users of new DCC services will be developed once options are finalised; DCC expects these to be proportionate to the type of new services being taken-up.

Q23: *Are there any special provisions and approaches for enrolment of PPM meters?*

A23: DCC expects that there will need to be provisions for Enrolment of SMETS1 Meters that are operating in prepayment mode. DCC is working towards a solution for enrolment of eligible SMETS1 Meters operating either in credit or prepayment mode and a SMETS1 Service that provides the functionality required to support both modes of operation.

Q24: *What are the plans for interoperability regarding COS?*

A24: Interoperability is one of the key objectives of the SMETS1 Programme. The SMETS1 Service will support interoperability on Change of Supply.

Q25: *Can you say anything more about PPM related timescales, obligations and restrictions?*

A25: The outline timelines contained in the implementation options in the IEPFR include delivery of a DCC prepayment solution. Any prepayment related obligations or restrictions will be set out and consulted upon during the development of Initial Enrolment Code Amendments.

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Subject Area: **SMETS1 Service**

Q26: *What can DCC say about a release based approach to implementation?*

A26: DCC will develop delivery plans in conjunction with Industry that may include a release-based approach, although the final approach to implementation will be dependent on a number of factors, including the impact on the overall cost-benefit analysis maintained by BEIS. DCC will fit the implementation of a SMETS 1 Service into its existing release schedule.

Q27: *Is it possible for DCC to provide a clearer picture of risks to all stakeholders regarding delivery options?*

A27: DCC has conducted detailed analysis on all delivery options including technical, commercial and security provisions. This information cannot be released as it is either commercially or security sensitive.

Q28: *Are there any particular Head-end-systems already identified for technical integration and when would that go-live?*

A28: DCC is at the beginning of the design phase and so have not yet concluded its assessment of technical integration.

Q29: *Is there a need to create a dedicated SMETS1 use cases?*

A29: Creation of design deliverables is one of the activities that would form part of the next phase of the SMETS1 Programme and we expect to engage with industry in that process. Clearly there are differences between SMETS1 and SMETS2 meters and we also need to take account of the options for the core communication services.

Q30: *Does the DCC want to adopt some/all of SMETS2 business use cases?*

A30: Where possible and where it is consistent with the options presented in the IEPFR, we will align the SMETS1 service with the existing DCC services designed for SMETS2, to benefit from re-use of design artifacts.

Q31: *How long will Option 6 take to implement?*

A31: We will work through the implementation timescales in more detail during the next phase of the SMETS1 Programme, engaging with BEIS and industry stakeholders to plan the transition to a Full Operating Capability (subject to the options selected).

Q32: *What is the relevance of elective Services?*

A32: Elective Services are provided to individual DCC Users on a bilateral basis, rather than forming part of the core service offering for all DCC Users. In the context of the SMETS1 Programme, Suppliers whose SMETS1 Meters and SMSOs support functionality that is outside of the 37 Minimum SMETS1 Communication Services and that is required by the Supplier's business processes, may request those additional services as Elective Services. DCC will set out a timeline for Suppliers to request such services so that they can be deployed as the SMETS1 Service goes live.

Q33: *What are the implications if DCC is unable to integrate with meters to the extent they can provide all 37 of the minimum SMETS1 services?*

A33: Only SMETS1 Compliant Meters will be eligible to be enrolled into DCC, therefore by definition, those Meters must be capable of supporting the 37 Minimum SMETS1 Communication Services, which are aligned with the SMETS1 Functional Requirements.

Q34: *What about the utilisation of security related Service Requests (SRs)?*

A34: Security related service requests that are included in the 37 Minimum SMETS1 Communication Services are not consistent with the proposed security model for the SMETS1 Service, in which DCC would assume responsibility for managing the security credentials held on DCC enrolled Meters. We have therefore proposed that security related service requests should be de-listed, as they would not be user facing services.

Q35: *Has DCC considered the use of existing SMETS1 SMSO message formats?*

A35: Continued support for existing SMSO message formats was not considered to be a viable option for a consistent, manageable, cost effective user interface for delivering the SMETS1 Communication Services. Consultation Question 5 of the IEPFR seeks views on the range of options considered in the report and whether there are other options that stakeholders consider should be evaluated.

Q36: *How will enrolment work? Will there be enrolment SRs?*

A36: The detail of the enrolment process is the subject of further design work, which will involve engagement with industry.

**Subject Area: User Interface Options**

Q37: *What obligations are there on manufacturers between now and SMETS1 adoption?*

A37: Any obligations on Meter manufacturers in respect of SMETS1 arise from the contracts between manufacturers and their customers. We anticipate that these would include certain obligations relating to SMETS1 Compliance, which will be a pre-requisite for Enrolment into DCC. We do not expect to establish direct contractual relationships with Meter manufacturers as part of the SMETS1 Programme.

Q38: *What are the implications for Users who rely on adapter services?*

A38: We are aware that many DCC Users will access the DCC User Interface via an adapter, either as a service, or as software that they host. Subject to the options that are selected for implementation, there may be implications for adapter providers should Users wish to use their services also to access the DCC SMETS1 Service (e.g. to integrate with a SMETS1 user interface, or to adopt SMETS1 specific message formats).

Q39: *Can you say any more about the use of the DCC User Gateway?*

A39: In the IEPFR, we consider that the provider that is selected to host the SMETS1 user interface should also provide the network connections for Users to access the interface. In the case of User Interface Option 1, that provider would be the DSP and therefore it would be possible for Users to re-use existing DCC Gateway Connections. In the other UI options, the provision of the interface would be competitively procured.

Q40: *Will the DCC DSP be able to bid for the provision of a SMETS1 User Interface?*

A40: DCC has not yet developed the procurement packages that will enable delivery of the end to end SMETS1 service. When Design decisions have been made and procurement packages identified, DCC will invite bids from relevant organisations in accordance with its procurement strategy and Licence Objectives.