

ERA SRSM Interim Interoperability – Principles & Issues

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Introduction

At an SRSM Project Workshop on 23 August, the topic of interim interoperability was discussed. As a result of correspondence prior to the session, feedback received on the draft Discussion Paper issued by the project team, and the changes arising as a result of the publication of the Prospectus it was agreed that the project team should review their approach to the subject.



The SRSM project has prepared initial draft papers for each of the blue blocks, looking to establish increasing agreement on the key building blocks.

The initial draft of this paper is based on the following materials provided to the project team immediately prior to the August workshop:

- “Building Blocks Towards Interoperability” draft, provided by British Gas
- Comments against the BG document from SSE
- “Interim Requirements” document provided by ScottishPower
- Email from Steve James “..Interim Process Thoughts”

It also considers the following materials from the initial July workshop and consequent SRSM discussion paper

- EDF Energy Views – 16 July
- SSE Comments to ERA Discussion Paper – 13 August

Principles

The table below lists high level principles for any interim activity, drawing on the materials mentioned above.

Ref	Principle
1	Quick and economic to deliver
2	Deliver economic value
3	Easy to integrate and operationalise
4	Does not undermine enduring arrangements
5	Commercial terms which are fair to all and transparent
6	Should not adversely impact customer experience
7	Minimal change to/impact on existing industry infrastructure, dataflows, processes and participant systems (linked to 3)
8	One participant cannot prejudice (or be prejudiced by) the interim arrangements

Notes:

1. Quick and economic to deliver - Interoperability arrangements will need to be implemented as soon as is practicable in order to ensure customers are able to continue to benefit from smart metering services, in advance of the formal industry arrangements coming into force. These arrangements are not intended to replicate the current industry design and therefore should be

- capable of being implemented as soon as possible i.e. 2011.
2. Deliver economic value - The arrangements should have a net benefit for all participants doing their own Cost/Benefit assessment
 3. Easy to integrate and operationalise - Interoperability arrangements must be designed to support ease of integration into supplier systems and processes. Otherwise implementation effort, cost and time would be contrary to the “interim” nature of these arrangements. Includes not affecting existing “automatic” processes of registration and settlement
 4. Commercial terms which are fair to all and transparent - Competition which is protected by central governance,(which could be self governance). A multilateral rather than bilateral approach
 5. Should not adversely impact customer experience – if the IIA meters are relatively ‘smart’ in functionality, there may be a need to comply with any pending licence/regulation/code of practice relating to remote disablement

Possible additional Principles

Suggested by individual Suppliers

- IIA Compliant meters to remain on the wall after CoS unless change is essential (e.g. to support PP/PAYG, HAN, microgen etc.)
- Each IIA meter will support a single point of access, i.e. the registered Supplier – how this is technically delivered via agents, head ends etc. is essentially transparent
- Use of Open Standards and Protocols, but these will not necessarily dictate the enduring standards
- IIA as a market trial for solutions and interoperability – i.e. it will not be 100% disposable

Issues

Presented as a simple list, and accepting that clarification of one or other of these (and the principles) could change the nature of individual issues significantly;

1. Scope (time) - actually includes a number of sub-issues
 - a. When to start? This could be ASAP, or from the availability of agreed Technical Specifications, or from the date of mandated roll out
 - b. When to finish? How long do the Interim arrangements need to endure? This will depend on answers to some of the other questions. If, for instance, the interim arrangements only cover metering that is fully compliant with the technical specifications, then any interim arrangements could all be novated to the DCC fairly rapidly. However, if the interim arrangements address more proprietary solutions, there may be a requirement for them to remain in place for longer if the DCC will not be covering these
2. Scope (segments) – domestic and SME? Domestic only, with SME at individual Supplier risk?
3. Scope (customers) – credit and prepayment? Credit only, with prepayment/PAYG at individual Supplier risk?
4. Scope (functionality) – AMR only? Fully featured smart metering? HAN and IHD? Smart Grid? Input materials cover a range of views
5. Scope (volumes) – does there need to be a cap on the volumes to ensure that overall customer experience/perception of smart is not materially affected by use of interim arrangements?
6. Scope (processes) – do we only need to address CoS and related processes? If a wider range of functionality is required to be supported, which processes are in scope?
7. Participation – should these arrangements be mandatory or voluntary? If they are to be mandatory, how will that work? Can a Supplier opt out?
8. Governance – if needed, is this self-governance? AMO suggested as potential independent drafter of any multilateral documentation. What are the incentives?
9. Interoperability - in the absence of agreed Technical Specifications from the Programme, how does any functionality become interoperable?
10. Commercial Interoperability – for meter rental costs, for communications and agent services costs. For a number of options these could include Suppliers charging each other.

11. Transition to enduring arrangements – how will this be done? e.g. cut over, migration etc?
12. Complexity of transfer of commercial arrangements for communications. This is a process that does not currently “exist” in the industry design, but will need to be a part of interim arrangements