

Background

Further to discussions at the Non-Domestic issues Smart Metering Workshop held on 22nd November, it was agreed that further industry development should be undertaken on the subject on DCC optionality in the non-domestic sector and specifically to explore how such optionality could or would actually work in practice.

The proposed approach to DCC optionality was detailed within The Smart Metering Implementation Programme: Non-Domestic supporting document issued on 27th July 2010.

Paragraph 4.32 stated that: *'The programme does not propose to oblige suppliers or meter service providers in the non-domestic sector to use DCC with respect to meters with smart functionality.'*

Paragraph 4.33 further stated: *'We do, however, recognise the legitimate concerns expressed by stakeholders around interoperability, smart grids and the costs of maintaining separate industry processes used with respect to a small number of customers.'*

At the workshop it was agreed that further work should be undertaken to fully consider the various scenarios that will occur and the issue/risks associated with DCC optionality.

Scenarios

The decision of whether to use or not use services provided by the DCC will ultimately be taken by each supplier. To understand how this would work in practice, consideration needs to be given to how different scenarios will impact DCC optionality. For example, there is a requirement to understand at which level optionality will be allowed to be undertaken by an individual supplier.

- On a meter point basis (i.e. a decision to use or not use the DCC can be individually undertaken for each non-domestic meter point within a supply point under a suppliers ownership)
- On a supply point basis (i.e. a decision to use or not use the DCC can be individually undertaken for each non-domestic supply point under a suppliers ownership)
- On a portfolio basis (i.e. a decision made which is applicable to all non-domestic supply points under a suppliers ownership, regardless of size or meter type fitted)
- On a meter type basis (i.e. a decision made which is applicable to a specific type of metering installation e.g. advanced meter/smart meter/AMR)
- On a fuel basis (i.e. a decision made for a specific fuel type gas, electricity or dual fuel)

Further, with regard to the potential mix of metering solutions installed and suppliers registered for each supply point, there are a number of scenarios which also need to be considered in order to understand the suitability of/impacts

associated with DCC optionality. Our initial views on the various possible scenarios that will be encountered are detailed below.

| Gas | Electricity | |
|---|--------------------|----------------------------------|
| DCC | Non-DCC | Same supplier |
| Non-DCC | DCC | Same supplier |
| DCC | DCC | Same supplier |
| Non-DCC | Non-DCC | Same supplier |
| DCC | Non-DCC | Different gas and elec suppliers |
| Non-DCC | DCC | Different gas and elec suppliers |
| DCC | DCC | Different gas and elec suppliers |
| Non-DCC | Non-DCC | Different gas and elec suppliers |
| <p>Variations of each of the eight scenarios above where the metering installation can be either:</p> <ol style="list-style-type: none"> 1) a smart meter (in accordance with future agreed specification) 2) an advanced meter (in accordance with advanced meter licence definition) 3) a dumb meter with an AMR device 4) a dumb meter <p>Further variations, where the customer may have their own specific communication arrangements in place for either or both fuels.</p> | | |

Risk & Issues

Initial thoughts on risks and issues that require consideration.

1. The same customer may have different 'comms' treatments utilised by different suppliers
2. The same metering equipment may have different 'comms' treatments from one supplier to another
3. Basis of optionality and transparency
4. Final scope of the DCC
5. Customer driven comms provision
6. Relationship with legacy arrangements