



CONSULTATION ON CER NATIONAL SMART METERING  
PROGRAMME – REGULATORY FRAMEWORK FOR TRANSITION

SSE AIRTRICITY RESPONSE TO  
THE COMMISSION FOR ENERGY REGULATION

2015

## INTRODUCTION

SSE Airtricity welcomes the opportunity to comment on the CER's paper "National Smart Metering Programme – Regulatory Framework for Transition".

SSE Airtricity is the largest independent supplier operating in Ireland with over 800,000 customers served across both electricity and natural gas markets. SSE Airtricity is committed to the development of competition in energy markets in Ireland and to presenting its customers with choice and quality customer services. We continue to be supportive of the NSMP and believe that an effective regulatory framework is necessary and will provide opportunities to directly deliver benefits to our customers, both in terms of the customer experience and optimised energy usage. We see smart metering as a fundamental component in the continued success of the energy retail markets in Ireland.

## GENERAL COMMENTS

SSE Airtricity welcomes the opportunity to put forward its views on the Regulatory Framework for Transition consultation paper published by the CER and would be generally supportive of the proposed decisions. Nevertheless we would argue strongly against the network providers producing and maintaining a coordinated market processes testing and trialling plan and believe that both these central instruments to programme success should reside within the structures of the CER Project Management Office (PMO).

## SPECIFIC COMMENTS

### **Q1 Do you have comments on the CER's Proposed Decision for regulating the transition activities of market participants, or further evidence or reasoning that you consider to be relevant to the Proposed Decision?**

SSE Airtricity agrees in principle with the establishment of specific obligations on all the programme partners as set out in the Transitional Licence Obligations (TLO). As such we accept that a level of committed involvement will be required from each individual stakeholder in relation to the integrated rollout plan. Nevertheless we believe that there should also be a similar requirement placed upon the CER in this regard. It should be acknowledged that the CER, who ultimately own the programme, has currently not included themselves in the descriptions of obligations and commitment in a similar manner as all other stakeholders.

In relation to the TLOs, SSE Airtricity would argue that if TLOs are being introduced for suppliers in relation to their compliance with the testing and trialling plan, similar requirements must be placed on the network companies. Networks must produce the plans in a timely manner to allow suppliers sufficient time to implement.

SSE Airtricity would be unsupportive of the current iteration of the obligation on networks to jointly develop an integrated rollout plan and a Coordinated Testing & Trialling plan to be approved by the CER and to be incorporated within the overall NSMP programme plan. We do not believe that the network companies should produce and maintain these and would suggest that a CER appointed Test Programme Manager role is required to own this activity. The CER, as an independent intermediary, must be involved throughout this process and should oversee the development of the rollout plan and the testing and trialling plan. It's apparent that the CER

has shifted responsibility for planning and test management to other stakeholders. In this regard we would suggest that the NSMP is in danger of avoiding project management responsibility and accountability by offloading ownership of the rollout plan and test management to the network organisations.

The paper states that the CER is leading the consumer engagement strategy and must ensure consistency. In order to achieve consistency and complementarity between various elements of the programme, the CER must be involved in the management and development of both streams. The CER proposes that it will only be involved in approving the plan. SSE Airtricity has serious concerns if it is not involved throughout to guide market participants because its ability to influence towards the end of this stream may be limited. This is a critical phase and any discussions on the development of plans must be mediated effectively to ensure success. This stream should not be led by commercial entities. Therefore SSE Airtricity strongly believes that both these central instruments to programme success should reside within the structures of the CERs PMO. In the absence of this we believe that doubts could be raised in relation to the importance of the PMO which is a significant risk to the programme.

Furthermore the CER has stated that it has formed no view on whether dual fuel or single fuel installations should prevail in Ireland and that this should be assessed by the Network companies. SSE Airtricity is alarmed that the CER, who has responsibility for the protection of customers and development of competition, is not going to be involved in this decision. A decision of this scale, in addition to all decisions associated with this stream, need to be evaluated carefully by CER to ensure that the customer impact is adequately assessed and considered.

SSE Airtricity would also like to raise the following observations

- The role of suppliers is unclear throughout the proposed decision paper and the only focus is on the requirement for suppliers to comply with the requirements. While there is a suggestion that networks must engage with industry stakeholders and consider their views in developing the integrated rollout plan, there is no certainty that their feedback will be taken into account without the CER mediating.
- ESNB and GNI should also be required to provide suppliers with adequate notice of the testing and trialling in order to ensure that

suppliers can comply with the plan. As noted in the proposed decision, suppliers need sufficient time and information to plan their own resources and the implementation of necessary changes to their systems. Without a clear commitment from the network operators in this regard, suppliers' ability to implement changes will be compromised.

- The CER suggests that *'given the significant costs of the NSMP, which will be apportioned between gas and electricity consumers, it is considered appropriate to treat these costs separately and transparently so that any potential confusion, double accounting or cross-subsidy is avoided.'* For this reason, SSE Airtricity considers that CER must be involved in the development of the rollout plan and testing and trialling plans.
- Further discussion is required in relation to the full scope and impact of the Transitional license obligations as there is still some ambiguity in this regard. For instance it is unclear when the transitional timeline will be, what the penalties will be, who adjudicates on non-compliance and what the due process, escalation and appeals procedures will be. We would suggest that a workshop is required in order to clarify these issues. We would suggest that a Charter of Fair Play needs to accompany the TLO in order to ensure balance, reasonableness, appropriateness of sanction and equality of application across existing and future market participants
- If TLOs are being introduced for suppliers in relation to their compliance with the testing and trialling plan, similar requirements must be placed on the network companies. Networks must produce the plans in a timely manner to allow suppliers sufficient time to implement. On this basis, it is *'unsymmetrical'* not to impose TLOs on networks given that a delay may occur due to their actions which may have implications for the reputation of the programme and impose unnecessary costs on other parties.

## CONCLUSION

SSE Airtricity welcomes the opportunity to put forward its views on the Regulatory Framework for Transition consultation paper published by the CER. However we would be unsupportive of the current iteration of the obligation on networks to jointly develop a Coordinated Testing & Trialling plan and believe that both these central instruments to programme success should reside within the structures of the PMO. SSE Airtricity also believes that there should also be a requirement similar to the transitional licence obligations placed upon the CER.