



**ENERGY METERING**

**Licence Conditions with  
guidance notes for the  
provision of advanced  
metering for larger  
business sites**

**APRIL 2009**

## ENERGY

### SMART METERS

#### MODIFICATIONS TO THE STANDARD CONDITIONS OF ELECTRICITY AND GAS SUPPLY LICENCES

The Secretary of State makes the following licence modifications in exercise of the powers conferred by section 88(1) of the Energy Act 2008 ("the Act").

The Secretary of State has consulted the holders of any licence being modified, the Gas and Electricity Markets Authority and such other persons as the Secretary of State considered appropriate in accordance with section 89(1) of the Act.

A draft of these licence modifications has been laid before Parliament in accordance with section 89(3) of the Act. Neither House of Parliament resolved, within the 40-day period referred to in section 89(4) of the Act, that the Secretary of State should not make the licence modifications.

#### Modification to the standard conditions of electricity and gas supply licences

1. The standard conditions of supply licences granted, or treated as granted, under section 6(1)(d) of the Electricity Act 1989 are modified by inserting after Standard Condition 12.16:

#### "Advanced meters for Non-Domestic Premises

- 12.17 This paragraph has effect on and after 6 April 2009 and applies where the licensee installs or arranges for the installation of an Electricity Meter at Non-Domestic Premises where the metering point falls within profile class 5, 6, 7 or 8 as defined in the Balancing and Settlement Code (for this condition only, "relevant premises").
- 12.18 If paragraph 12.17 applies, the Electricity Meter installed at the relevant premises must be an advanced meter.
- 12.19 For the purposes of this condition, an advanced meter is an Electricity Meter that, either on its own or with an ancillary device, and in compliance with the requirements of any relevant Industry Code:
- (a) provides measured electricity consumption data for multiple time periods, and is able to provide such data for at least half-hourly time periods; and
  - (b) is able to provide the licensee with remote access to such data.
- 12.20 The licensee must ensure that a Customer supplied with electricity at relevant premises through an advanced meter, or that Customer's nominated agent, has timely access, on request, to the data provided by that meter.
- 12.21 As from 6 April 2014, the licensee must not supply electricity to any relevant premises other than through an advanced meter.
- 12.22 The prohibition imposed by paragraph 12.21 does not apply where the licensee is unable to install or arrange for the installation of an advanced meter at the relevant premises in question despite taking all reasonable steps to do so."

2. The standard conditions of supply licences granted, or treated as granted, under section 7A of the Gas Act 1986 are modified by inserting after Standard Condition 12.19:

**“Advanced meters for Non-Domestic Premises**

- 12.20 This paragraph has effect on and after 6 April 2009 and applies where the licensee installs or arranges for the installation of a Gas Meter at Non-Domestic Premises at a metering point at which the measured annual consumption of gas is more than 732,000 kWh (for this condition only, “relevant premises”).
- 12.21 If paragraph 12.20 applies, the Gas Meter installed at the relevant premises must be an advanced meter.
- 12.22 For the purposes of this condition, an advanced meter is a Gas Meter that, either on its own or with an ancillary device, and in compliance with the requirements of any relevant Industry Document:
- (a) provides measured gas consumption data for multiple time periods, and is able to provide such data for at least hourly time-periods; and
  - (b) is able to provide the licensee with remote access to such data.
- 12.23 The licensee must ensure that a Customer supplied with gas at relevant premises through an advanced meter, or that Customer’s nominated agent, has timely access, on request, to the data provided by that meter.
- 12.24 As from 6 April 2014, the licensee must not supply gas to any relevant premises other than through an advanced meter.
- 12.25 The prohibition imposed by paragraph 12.24 does not apply where the licensee is unable to install or arrange for the installation of an advanced meter at the relevant premises in question despite taking all reasonable steps to do so.”

X 

Name

Minister of State

Department of Energy and Climate Change

Date 2/4/09

**GUIDANCE NOTE**

*(This note is not part of the licence modification)*

These licence modifications promote energy-saving by electricity and gas customers by ensuring the provision of meters which are able to provide wholly accurate and detailed information about energy use. Advanced metering – whether provided through the existing meter or through the existing meter operating in tandem with a pulse utiliser, an optical character reader or other ancillary device, enables the supplier to obtain remote access to the data held by the meter. That raw data can, in turn, be converted to information about the customer’s usage, broken down into suitable time periods. The customer or his nominated agent can, in turn, access that information remotely, for instance, via his account on the supplier’s website.

The licence modifications do not specify the time periods by reference to which the supplier must provide information to the customer. That will be a matter for the

parties to the supply contract to agree, and will be determined by, inter alia, the requirements of the customer. The meter should, however, be capable of providing half-hourly information for electricity and hourly information for gas. The licence condition similarly does not prescribe the time within which the information about use should be available to the customer or his nominated agent, although the Government expects such information to be available no more than twenty-four hours after the electricity or gas were used.

The licence modifications place an obligation on suppliers to ensure that where they newly install or replace a meter, the meter should be an advanced meter and that, subject to certain qualifications, electricity or gas supplied after 6 April 2014 should not be provided other than through an advanced meter, whether that meter is provided by the supplier, the customer or another party. The modifications do not prevent ownership or installation of meters by other parties, including the customer, although where the customer owns or supplies the meter he will have to ensure that after 6 April 2014, the meter meets the requirements of these licence modifications so that the supplier can meet the obligations in paragraph 12.21 of the Standard Conditions of electricity supply licences and paragraph 12.24 of the Standard Conditions of gas supply licences. Requirements within this licence modification may also be met by more sophisticated metering that offers two-way communication between the meter and the supplier and supplier and the customer and may be accompanied by additional devices at the premises, such as displays of energy usage. It will be for suppliers to decide whether they wish to offer this or other services and for customers to decide whether they wish to receive them.

There will also be circumstances where a site has a number of electricity metering points some of which may lie within profile classes 3 and 4; or gas supply points some of which may have annual gas consumption of below 732,000 kWh. It will be for the supplier and the customer to decide whether advanced metering should also be used for those electricity metering or gas supply points to ensure the provision of accurate and comprehensive data for the whole site.

The licence modifications give further effect to Article 13 of Parliament and Council Directive 2006/32/EC on energy end-use efficiency and energy services. The licence modifications have also been notified to the European Commission in accordance with the requirements of Article 8 of Directive 98/34/EC of the European Parliament and of the Council laying down a procedure for the provision of information in the field of technical standards and regulations (O) L 204, 21.7.1998, p. 37) as amended by Directive 98/48/EC of the European Parliament and of the Council (O) L 217, 5.8.1998, p. 18).

The Secretary of State will publish the modifications to the standard conditions of supply licences on the website of the Department of Energy and Climate Change as soon as reasonably practicable.