MARKET CODE / OPERATIONAL CODE CHANGE PROPOSAL			Form version 3.0
Change Proposal reference (To be completed by the TP Sec.)	**MCCP315**	Version No.	**B.1**

PART A — SUBMISSION

A.1. GENERAL DETAILS

A.1.a.	TITLE	Smart Metering – New Meter and Meter Read Types		
A.1.b.	COMPANY	Scottish Water		
Change Proposals must be authorised by the person designated by the signatory to the Market Code Framework / Accession Agreement				
A.1.c.	AUTHORISED SIGNATURE		NAME	Richard Lavery
A.1.d.	CONTACT NAME	Stephen McIntosh	CONTACT EMAIL; TEL/MOB.	stephen.mcintosh@scottishwater.co.uk
A.1.e.	ASSOCIATED MCCP / OCCP	N/A		
A.1.f.	ASSOCIATED DOCS.	June 2025 MPF Paper – Smart Metering Market Code CSD0002 (Performance Standards) CSD0102 (Registration Transfers) CSD0202 (Meter Read Submission) CSD0301 (Data Transaction Catalogue) CSD0302 (Standing Reports and Data Extracts)		
A.1.g.	PROPOSED URGENCY	NON-URGENT		
A.1.h.	REASONS FOR URGENCY			
The CMA CEO will review this information and make a decision as to whether to take this MCCP / OCCP forward as urgent as defined under Market Code Part 8.9.1				

A.2. MCCP / OCCP DETAILS

A.2.a. ISSUE OR DEFECT WHICH THIS MCCP / OCCP SEEKS TO ADDRESS
Required under Market Code Parts 8.7.1 (ii) (b) and 8.8.1 (ii) (b)

Following a successful pilot in Inverness and Orkney, Scottish Water intends to deploy smart metering technology to metered non-household customers in Scotland. The first installations will commence late in the 2025/26 financial year with national deployment to all metered non-household customers planned by 2032/33, subject to full funding approval.

Changes will be required to market processes, systems and roles to fully accommodate smart metering and realise the long-term benefits to customers and Licensed Providers. These changes will take place in stages, in parallel with meter installations, as the necessary systems are procured and developed and the enduring market arrangements are agreed with participants.

Initial changes to the Central Systems are proposed for the March 2026 Release to enable readings from the first installed smart meters to be accommodated in settlement from the outset, improving meter read coverage. As discussed at the June 2025 Market Participant Forum, there will initially be no change to meter read submission responsibilities (so that Licensed Providers continue to submit cyclic and transfer reads, even when sourced from smart meters) and enduring responsibilities have still to be agreed.

Further changes to market processes and systems development will be required to enable the systematic sharing of granular consumption data from smart meters with Licensed Providers, following Scottish Water's procurement of a Meter Data Management System and the definition of sharing arrangements which may involve the CMA. Once a systematic basis for data sharing is in place, Scottish Water will take responsibility for retrieving and providing read data from smart meters to Licensed Providers, to defined service standards, and there will be an increase in the wholesale charge associated with smart meters to reflect the transfer of meter reading responsibility. This is provisionally planned for 2027/28.

In the interim, until a Meter Data Management System and systematic data sharing mechanism is in place, Scottish Water will share granular consumption data from the first installed smart meters with Licensed Providers via interim arrangements. There will be no defined service standards associated with these interim sharing arrangements and therefore no increased wholesale charge to Licensed Providers for smart meters during this interim period. Licensed Providers will be able to use this data from smart meters to supplement readings sourced from their existing meter reading arrangements in the Central Systems.

In order to enable consumption data from smart meters to be used in settlement from April 2026, changes are required to Central Systems and market documents to define and identify smart meters and readings which have been sourced remotely via the new technology.

The overall aim of these proposals is to encourage early adoption of smart meter reads by LPs where possible and start to deliver direct customer benefits for those sites with a smart meter and wider customer benefits in reducing the financial cost of operating in the market and reducing the CO2 emissions associated with meter readers travelling to take physical reads.

In discussions in the Smart Metering Working Group, Licensed Providers recognised that as this was a new technology deployment, there was no track record to draw on to assess the reliability of the technology. A particular concern was the scenario in which a meter was commissioned successfully and communicating meter reads via AMI but then stopped communicating.

LPs considered that they would be able to mitigate this risk within existing market mechanisms for regular cyclic reads as it would be possible to arrange a physical meter read without breaching their market obligations.

Commented [DS1]: The remaining paragraphs of this section were added following the discussion at the Technical Panel to record the reasoning of the Smart Metering Working Group in proposing that estimated transfer reads be allowed in limited circumstances where an AMI meter had failed at short notice.

However, given the much tighter timescales for transfer reads, LPs were concerned that a failure of the smart meter shortly before the SPID Registration Start Date would need leave time for alternative meter reading arrangements.

This would leave LPs with the choice of risking a breach of market obligations with associated Performance Standards charges due to a failure over which they had no control or of taking a visual transfer read even though in most cases that would incur unnecessary cost and travel.

Most LPs expressed the view that they would not be able to rely on smart meter reads in these circumstances and would need to continue to take visual transfer reads.

To encourage the use of smart reads for transfers, the Smart Metering Working Group proposed that in the unexpected event of a smart meter failing to communicate after it had been successfully commissioned, the LP should be allowed to submit an estimated read. The Working Group considered that the benefit to Customers and the Market of encouraging timely and accurate smart meter reads for transfers strongly outweighed the small number of additional estimated reads. That benefit can then be passed on to Customers in the form of greater discounts.

This applies the existing principle that failure of an asset for which LPs are not responsible is taken into account as long as LPs promptly raise the need for remedial action.

This Change Proposal includes amendments to CSD0102 (Registration Transfers) to provide this strictly limited concession that would allow a transfer read when and only when the smart meter is communicating via AMI 5 Business Days before the RSD and then no smart meter read is available for the RSD 2 Business Days after the RSD.

It is noted that it would be possible to verify that the use of estimated transfer reads for smart meters meets these criteria by examining Scottish Water data on smart meters.

A.2.b. DESCRIPTION OF THE NATURE AND PURPOSE OF THE MCCP / OCCP AND HOW IT MEETS THE MARKET CODE / OPERATIONAL CODE OBJECTIVES AND PRINCIPLES FOR THE MARKET DOCUMENTS
Required under Market Code Parts 8.7.1 (ii) (c) and 8.8.1 (ii) (c)

General Description

The initial changes to accommodate smart meters in the Central Systems and enable the use of readings from smart meters in settlement are as follows:

- Introduction of a new data item for Meter Remote Capability, an attribute of the meter, which would distinguish smart meters from traditional 'dumb' mechanical meters and would identify whether they were operating in AMI[1] mode, AMR mode or are not yet commissioned

- The creation of a new data item for Meter Read Method which will distinguish whether a reading has been taken via a physical visit ('visual'), provided by a customer, sourced via an LP datalogger, sourced via smart metering technology or estimated.

  The documents define which Meter Read Methods are permissible for which Meter Read Types, maintaining existing arrangements for the circumstances in which customer, estimated and datalogger reads are allowed.

  This broadly mirrors the approach in the English market.

[1] AMI meters are fully networked with granular consumption data retrieved remotely on a set frequency (typically daily) whilst AMR meters record granular consumption data but are not networked so require a site visit or 'drive-by' to retrieve the data. AMR meters will be used where network connectivity is not viable for AMI, with Scottish Water responsible for site visits for data retrieval.

- Amendment to the Market Code drafting to define the new meter types and read methods

- Inclusion of the new smart meter read types and methods in Performance Standards R9A, R9C, R9D and R9E. There will be no other changes to Performance Standards at this point as Licensed Providers will retain responsibility for meter reading at this time, with smart meter data being provided to Licensed Providers via interim arrangements with no defined service standards or increase in wholesale charge for smart meters. This will enable Licensed Providers to use smart meter data to supplement readings obtained via traditional methods pending the implementation of enduring data sharing systems and arrangements.

- Although the wording in CSD0002 of the other performance standards for meter reads requires no change, there will be changes to the Central Systems to recognise the new meter read format.

- Performance Standards will need to be changed in the future at the introduction of systematic sharing of smart data with Licensed Providers, with defined service standards and an increased wholesale charge for smart meters. This is provisionally planned for 2027/28 and is dependent on the procurement and development of the necessary systems.

Principles and Objectives affected
CMA Guidance Note GN009 may be referred to for assistance with this section

PRINCIPLE	AFFECTED (Y/N)	DESCRIPTION
Proportionality	Y	Minimum necessary changes to enable the use of readings from smart meters in settlement
Transparency	Y	Provides market participants with visibility of smart meters and their status and whether meter readings have originated from smart meter data or from a visual reading.
Simplicity, Cost-effectiveness, and Security	Y	Minimum necessary changes to enable the use of readings from smart meters in settlement
Non-exclusivity	N	
Barriers to Entry	N	
Customer Contact	N	
Non-discrimination	N	
Non-detrimental to SW Core Functions	N	
MC / OC OBJECTIVES		

A.2.c. IMPACT Required under Market Code Parts 8.7.1 (ii) (d), (f) and (g), and 8.8.1 (ii) (d) and (f)		
CONFIGURED ITEM	IMPACTED (Y/N)	DESCRIPTION
MC / OC	Y	Drafting changes to provisions on meter types, meter read types, read methods and meter read frequency
CSDs	Y	Drafting changes to accommodate new meter types and read methods
Wholesale Services Agreements	N	
Licenses	N	
CMA Central Systems	Y	Central System changes to accommodate new meter and read methods
CMA business processes	Y	Changes to transaction validation and performance standard routines to reflect the new data items and meter read format.
Trading Party systems	Y	System changes to accommodate new meter and read methods
Trading party business processes	Y	Potential process changes to accommodate new meter and read methods

A.2.d. DRAFT LEGAL TEXT
Required under Market Code Parts 8.7.1 (ii) (d) and 8.8.1 (ii) (d)

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For detailed drafting, see the mark ups of the Market Code and relevant CSDs attached as annexes. These mark ups cover

Market Code

5.9.1A Means of taking the meter reading
Amendments to highlight that, for the relevant read types, readings may be taken from smart meter data rather than from a visual reading of the meter.

5.9.1B Timing of physical meter reading
Amendment to allow provision of a smart meter reading as well as a physical reading of the meter at least every two years.

5.9.4 Regular Cyclic Reads
Removal of reference to AMR reads (which are now defined as a Meter Read Method of 'Datalogger' rather than a Meter Read Type – no change to when they can be used)

Schedule 1 – Definitions

'AMR Read' – Amendment to 'Datalogger' read to clarify that this refers to readings from an LP or ADI installed data logger rather than from a Scottish Water integrated smart meter

New definitions of AMI, AMR, Meter Read Method, Smart Meter, Smart Reading and Visual Reading.

Amendment to definitions of existing meter read types, eg Customer Read.

CSD002 – Performance Standards

Addition of new meter read types to Performance Standards R9A, R9C, R9D and R9E.

CSD0102 - Registration Transfers

Addition/update of meter read types and smart meter reads to be allowed as Transfer Reads. Transfer reads can be estimated in limited circumstances if a smart meter stops providing data.

CSD0202 – Meter Read Submission

Addition/update of meter read types and addition of Meter Read Methods.

CSD0301 – Data Transaction Catalogue

Addition of new data item(s), updates to relevant submission transactions and notifications and updates to valid sets.

CSD0302 – Standing Reports and Data Extracts

Inclusion of new data items in relevant MDS reports.

If this MCCP is approved then the CMA will undertake a full review of the Market Code and CSDs to ensure all necessary consequential amendments are presented to a future Technical Panel meeting for approval.

If changes are identified for CSD0301 Data Transaction Catalogue Annex, these will not be provided in this MCCP, but will be provided following the deployment of the associated system updates. This is because the majority of CSD0301 Annex is system generated automatically and can only be updated after associated changes have been incorporated into the relevant system.

A.3. IMPLEMENTATION DETAILS
A.3.a. PROPOSED IMPLEMENTATION DATE OR LEAD TIME Timescale must not overlap with the period of consultation with the Commission and should take account of the impacts identified in Section A.2.c. Any quoted lead time should commence from date of Approval.
March 2026 Release
A.3.b. ANY LIMITATIONS OR DEPENDENCIES FOR IMPLEMENTATION
A.4. ANY OTHER COMMENTS

PART B — TP ASSESSMENT			
B.1. ASSESSMENT PROCESS			
B.1.a. ASSESSMENT START DATE	2025-08-21	ASSESSMENT END DATE	2025-08-21
B.1.b. IMPACT ASSESSMENT REQUIREMENT		IA REQUIRED	
B.1.c. CONSULTATION REQUIREMENT		TP CONSULTATION NOT REQUIRED	
B.1.d. ASSOCIATED DOCUMENTS (TO THIS PART B)			
B.2. ASSESSMENT DETAILS			
B.2.a. CHANGE SPEC AND IMPACT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
B.2.b. CMA INTERNAL SYSTEMS IMPACT			
B.2.c. DRAFT LEGAL TEXT (IF DIFFERENT FROM THAT ORIGINALLY SUBMITTED)			
B.2.d. CUSTOMER IMPACT (TO BE COMPLETED BY LPS)			
Allowing smart meter reads to be included in the Market will improve the accuracy of both settlement and customer billing. Over time this would lead to a reduction in bills based on estimated consumption and support targeted water efficiency measures that will save Customers money.			
B.2.e. TP ASSESSMENT Taking into account complexity, importance and urgency, and having regard to whether or not such proposal is within the relevant Objectives and Principles as required under Market Code Parts 8.7.1 (v) and 8.8.1 (iv)			
Impact on Principles and Objectives (if different from that originally submitted)			
Cost Estimate			
Benefit Estimate (L: < 10k, M: £10k to £100k, H: > £100k)			
B.3. TP DECISION	TP APPROVED		
B.4. FINAL TP VIEWS	Unanimously approved at the TP on 2025-08-21		
B.5. PLANNED IMPLEMENTATION DATE	March 2026		

WITHDRAWN BY PROPOSER?	NO
COMMENTS	
DATE OF WITHDRAWAL	

PART C — COMMISSION APPROVAL	
C.1. DATE FINAL REPORT ISSUED TO COMMISSION	2025-09-18
C.2. APPROVAL STATUS	APPROVED CHANGE / REJECTED
C.3. DATE OF APPROVAL STATUS	yyyy-mm-dd
C.4. COMMISSION RESPONSE REFERENCE	

PART D — IMPLEMENTATION	
D.1. IMPLEMENTATION DATE	Proposed March 2026
D.2. IMPLEMENTATION DETAILS (MC version, CSD versions, CMA Central Systems release number, etc.)	