

## Smart Rollout and Beyond – The Data Management Challenge

As the Smart meter revolution unfolds in the UK the challenges arising will reinforce the importance of effective and integrated data management of legacy and Smart related data by energy Suppliers and their metering agent service providers alike.

### ***The Supplier Challenge***

The mandatory roll-out of Smart meters by Suppliers is viewed by government as the key enabler to achieve government carbon reduction objectives while providing persisting longer term benefits to both Suppliers and Consumers along the way.

Suppliers will be expected to achieve reductions in costs to serve while improving competitive positioning via, for example, differentiated tariff offers to consumers. Such offers themselves are also expected to encourage carbon attractive shifts in energy time of use and reductions in overall energy demand.

Suppliers will be expected to better support Consumer understanding of their own energy consumptions and impacts. Tariff offer variants from Supply companies must be clearly understood by Consumers so that their positive contributions to achieving the objectives of Supplier differentiation, consumer energy cost reductions and overall carbon reductions are assured.

The scheduled introduction of the new DCC ( Data Communications Company ) service provider role in the UK will have impact upon existing Supplier data management processes. Suppliers to the domestic consumer are mandated to adopt 'vanilla' smart AMR/AMM services provided exclusively by the DCC. Positioning of the DCC within the Smart market model will impact significantly upon existing data interfaces between the set of Supplier related business processes. However, the DCC, supporting all Suppliers with its important but limited set of services, will not be an attractive vehicle to achieve either integrated or Supplier differentiated data management services.

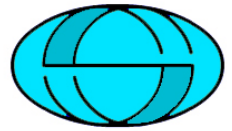
The rollout and implementation of Smart meters and the reducing requirement over time for pedestrian based services will impact significantly upon Supplier data management arrangements. The pace of rollout will be limited initially by the availability in the market of appropriate field resources. The costs attached to diminishing volumes of pedestrian meter reading services over time will increase. Flexible and evolving contracts with a wide range of targeted field service providers are unavoidable, but consistent data management regimes must be assured along the way.

### ***The Metering Agent Challenge***

The impacts of the developing Smart market model upon Supplier agents are clear.

While agents providing meter installation field services will prosper initially the revenue returns of those agents, along with others where revenues are substantially dependent upon field services, will diminish over time.

The market for field only services will also become much more granular and competitive, further impacting revenues.



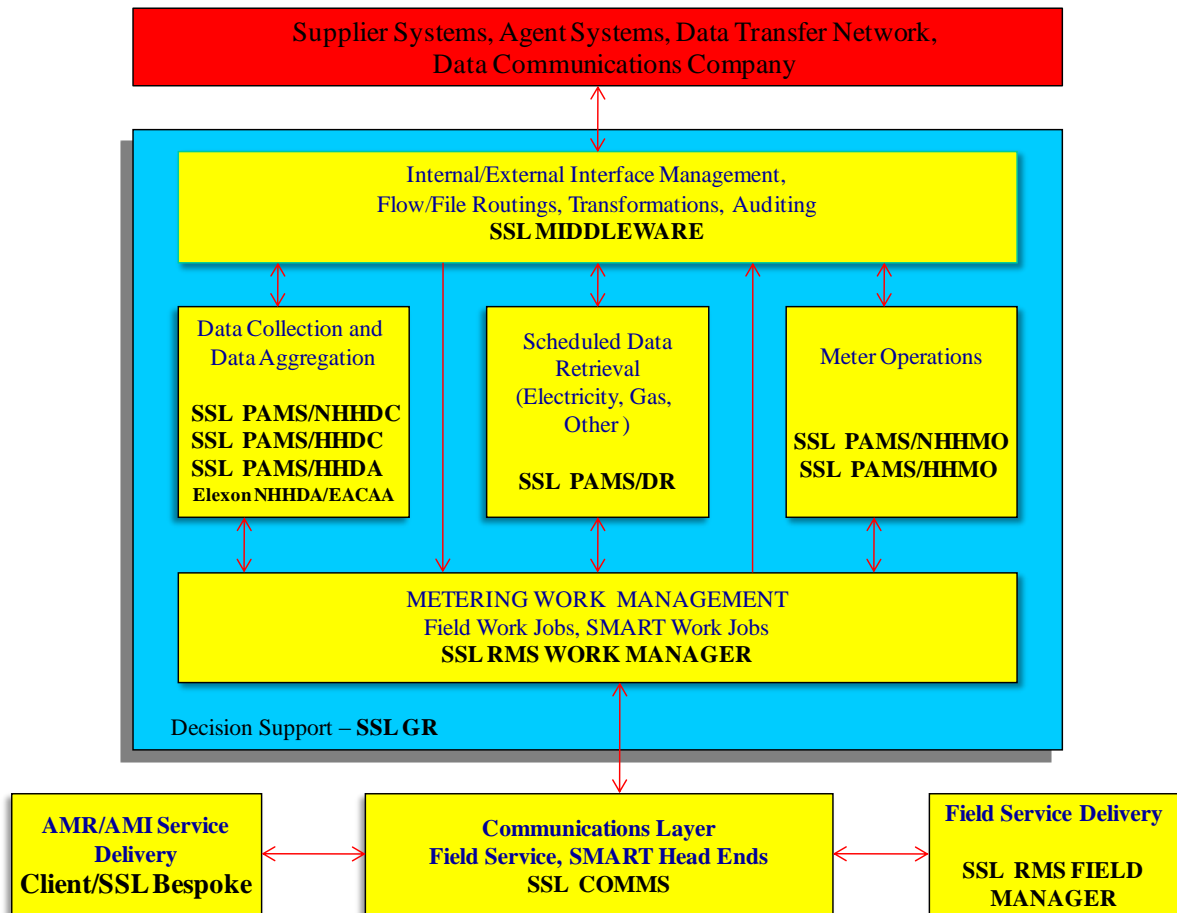
Agent service providers will recognise that they must become a one-stop-shop provider of integrated data management services to remain attractive partners to Suppliers.

**Meeting the Challenge**

Salient Systems have this year completed development and delivery of the set of Industry systems which will continue to assure delivery of Electricity Supplier Hub objectives at Supplier companies and their agents - within the evolving landscape of Smart rollout, DCC role positioning and the significant extension of demand upon existing data management capabilities.

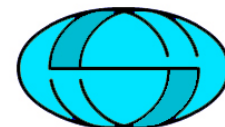
The diagram below graphically summarises the logical architecture positioning of key SSL product collateral.

**METERING FUNCTIONS - SSL APPLICATION COMPONENTS**



**Key Observations:**

- SSL NHHMO/HHMO and RMS systems, complemented by experience gained in the I&C market providing interfaces to Smart head-ends, will address the logistical and data management challenge of Smart rollout and ongoing Smart meter management.



- SSL NHHDC/NHHMO/NHHDR synergies and proven interfaces to third party head ends will address delivery of Smart rollout Foundation stage system architectures, preparing for seamless migrations to DCC role integration within the Supplier Hub. SSL's NHHDR solution achieves the proposed read scheduling and completion requirements of DCC itself.
- SSL HHDC/HHMO/HHDA solutions address the challenge of managing HH processes and interval data, preparing for migrations from NHH to HH settlements.
- SSL GR/DSS facilities - providing HH data analysis capability that can also be applied at Smart NHH interval data to address Supplier and Consumer data analysis and multiple format information presentation and delivery requirements.
- Interface building between SSL systems and Smart MDM/Head End systems embody the principles of the proposed 'Transform' interface management capability provided at DCC.
- SSL systems will continually evolve to reflect the changes that will be required to the existing Market Model and at Industry systems to successfully incorporate DCC and Smart. Together these commitments will contribute to painless evolution rather than revolution of data management architectures and processes over time.

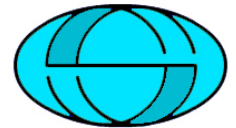
Not only do SSL already offer the complete, smart, integrated systems solution to manage data within the evolving Smart landscape, but SSL will also radically lead the Industry in the means by which data management solutions will be made available to Supply companies and their agents.

Our radically new offer to the Supply and metering agent market will include transactional charging mechanisms aligned to levels of service delivery achieved, consortium factored product S&M fees reflecting only the true costs of accommodating Industry change and a continuing commitment to provide significant opportunity for client differentiation of service models achieved via the Salient product set.

Proposals here will particularly support Government objectives to encourage new Supply companies to market. The proposed charging model will also reinforce SSL commitments to assure cost effective delivery of all stakeholder objectives around Smart.

SSL achievements and our product offer to clients are further summarised below:-

- Established electricity NHHDC, NHHMO, NHHDR products complemented this year by delivery of HHDC, HHMO and HHDA product set.
  - Completing 'core' data management set
  - Supporting expected gradual migration NHH > HH settlements
  - Proven interfaces to established Smart head-ends, bespoke head-ends and Work Management systems ( SSL RMS and client specific ).
  - Industry required DTC interfaces 'out of the box' – DCC ready !
  - 'Transform' interface handling facilities.
  - HH interval data analysis complements ( tariff analysis )
  - DSS facilities – SSL GR – user defined cross-systems data mining, data analysis, secure tabular and graphical presentations of data to internal and external users.
- Proactively support predicted Industry Model changes
  - DC/DR/MO interfaces to SSL RMS ( Resource Management System, proven system supporting multiple millions of field service jobs per annum ) supporting Smart meter rollouts and flexible contracts with external meter worker organisations over gradual roll back of requirements for such services.



- Product Differentiators
  - Modern, automated, scalable
  - Business Model driven designs achieve step change in operational clarity of Business Process status and ease of applying BP refinements or change.
  - Technical architecture consistency, flexibility, efficiency coupled with automated, management by exception business process interventions produce lowest cost of ownership – hardware and people resource.
  - One-stop-shop, avoiding complexity of managing disparate offerings from multiple providers.

Contact details are provided below to discuss the SSL offer in further detail or to arrange product demonstrations.

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