

CHAIRMAN'S REPORT

Dear Members,

On behalf of the Board of Director and myself, I'd like to welcome all members of the STS Association (STSA) to the 2023 Annual General Meeting. As in previous years, the chairman's report will focus on key activities carried out within the Association between May 2022 and May 2023.

I would like to firstly acknowledge the sad passing of a true friend and long-standing Board member, Mr. Andy Stoner. Over the many years that Andy held the position of Founder Member for Landis + Gyr and later Independent Director, he contributed significantly to the development and growth of not only the STS specification, but the Association itself and he will be sorely missed.

During the period, we saw changes within the Board with Mr. Dave Tarr, representing Landis and Gyr stepping down and being replaced by Mr. Lee Naicker. In addition, Mr. Len Schaller was selected to represent Itron and Mr. Don Taylor became an Independent Director.

This last year saw tremendous effort being placed in key areas such as Marketing, the TID Rollover communication campaign, Key Management, and the enhancements of technical tools and training videos to support members. Many of these activities were aimed at addressing the organisational risks highlighted in the minutes of the quarterly Board meetings as well as to support the continued evolution of the specification.

As we approach the 24th of November 2024 TID Rollover is at the forefront of everyone's mind, so it is fitting to start with feedback on the TID Rollover communications campaign. Spearheaded by Mr. Don Taylor and supported by Mr. Riccardo Pucci, the team continued to reach out to users of the technology to inform them of the need to start their TID Rollover projects. Notifications have been delivered to approximately 86% of all Supply Group Code users, which covers around 99% of the global install base of STS prepayment meters. I'd like to take this opportunity to thank Don and his team for their dedicated efforts to get the message out. Statistical information retrieved from the Key Management Center (KMC) indicates that around 26% of Supply Group Code users have started to prepare for or are actively implementing their TID Rollover project. While this figure is relatively low considering there is roughly 17 months in which to complete the rollover, the team will continue to promote awareness via digital marketing channels and events.

With the departure of Mr. Dave Tarr, Mr. Riccardo Pucci's scope of work was expanded to focus on all aspects of marketing and not just supporting the TID Rollover campaign. I would like to thank Dave for his efforts in this regard and also to congratulate Riccardo, who has performed exceptionally well in his new role.

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After some consideration, the Board decided this year to review the marketing strategy which historically, had been focussed on the up-and-coming TID Rollover event. While this is still a key priority, new impetus was given to revising our online digital strategy in line with current industry trends, reviewing our marketing support requirements with our partner Bloom Marketing and the customer / member experience when engaging with the Association. A revised marketing strategy was proposed which resulted in the following actions to be taken:

Action 1

Exclusive member engagement through bi-annual workshops to highlight everything new with STS, from specification updates, training, and more. These workshops will be linked to the video series 'A Message from the Board', for those members that were not able to attend.

Action 2

Members quality and ease of use when it comes to utilising the STSA website, development tools, accessing information and much more.

Action 3

A revised strategy is to be tabled to identify how the STSA will engage with specific working groups and other industry related associations to ensure that the STSA remains relevant and known for its active and ongoing support for members and affiliates alike.

Besides revising our strategy in 2023, significant activities were carried out during the year some of which are highlighted below.

TID Rollover

With 2024 only 17 months away, it is imperative that STS users ensure that all STS meters are rolled over before 24 November 2024 – a significant communication and knowledge sharing effort has been made by the TID Rollover team under the guidance of Mr. Don Taylor. This campaign has been ongoing for many years and will continue throughout the next few years, to keep TID Rollover top of mind with all users. Within the South African context, regular progress updates have been provided to the industry with the help of the South African Revenue Protection Association (SARPA) and the Association of Municipal Electricity Utilities (AMEU) at their regular branch meetings. From an international perspective, the STSA will be presenting at the ENLIT AFRICA 2023 to showcase the results of the intensive 7-year TID rollover communication drive, and to ensure that all myths surrounding the

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TID rollover are addressed. The STSA will be presenting alongside two South African Municipalities that will be showcasing their positive TID rollover project results for others to learn from.

STS Evolution

The evolution of the standard, as it relates to developments and enhancements of other relevant global specifications, continues to be a priority. The inclusion of the IEC62055-41 Attributes COSEM interface class into the newly published DLMS UA Blue Book 15, is a significant move in this direction. Two exciting new videos have been created to showcase the evolution of the STS standard into STS Edition 2, and how this opens the doors to a world of Smart STS meters. These videos highlight all the benefits of the STS Edition 2 specification and will be used to promote the STS standard in a variety of ways, from being played at conferences, webinars, social media, and many other online digital publications globally.

Digital Platforms

Regarding social media, this has been streamlined to focus specifically on LinkedIn, as this page has shown significant activity and growth since we revised our campaign. Events and conferences are in full swing again, and the STSA will utilize these spaces strategically to highlight our focused activities.

Digital Content

A wealth of STS technical information has been broken down into segments, captured as a series of videos and published on the STS website. A total of 31 videos are available for viewing and download with a further 16 to be completed by June 2023. These videos are neatly displayed in the brand-new video gallery, which now includes video descriptions to make it easier for members to locate the information contained therein. Specific videos include subtitle translations in other languages. Many of the videos are aimed at providing more information and guidelines about TID Rollover, while other videos are aimed at technical training and sharing STS technical information to support our members and end users of STS specifications. These videos combined with the WIKI page, will be linked from various places on the website, to create better access to the wealth of information we have created.

One of the key strengths of the Association and a differentiator in the standards industry is the ability to provide Key Management Support to users of the technology. As this is a key component of the STS ecosystem, it is only appropriate that we continue to invest in the Key Management Centre (KMC). Development and enhancement made this year include the following:

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Automatic Email Gateway

This project was implemented successfully and enables users to request and receive the KMC Public Key and Vending Key Files automatically using an email system. The benefit to users is that this service is now present 24/7/365. The system has been extensively tested and is now fully operational and available to all users. A companion specification STS600-9-2 Edition 1.0 was published to provide guidance on how to utilise the service.

KMC Hosting

As a critical component, the Association is responsible for ensuring, as far as possible, that access to KMC services is always available. Addressing some of the high priority items outlined in our organisational risk schedule, the STS Association procured four KMCs. These were to be distributed as follows:

1. One KMC to be used as the primary.
2. One KMC to be used for back-up and disaster recover.
3. One KMC to be used for testing purposes.
4. One KMC as a spare.

I am pleased to announce that the disaster recovery (DR) solution is up and running with regular back-ups being made from the primary system. The DR KMC is hosted in an independent datacenter located in Durban South Africa. A second phase will be launched this year to move the primary KMC from its current location to an independent datacenter in Johannesburg South Africa.

While on technical updates it is worth noting developments and enhancements made to specifications and membership support tools. These are shown below:

Date	Activity	Status
March 2023	Generation of the KCT program using a TSM500i	Tested and ready for use
2022/2023	Updates to Virtual Security Module (VSM) to version 5.1.2	Minor bug fix
2022/2023	Updates to the STS Simulator version 5.1.2	Minor bug fix
March 2023	Update of all CTS test documents to Edition 1.9.6	Edition 1.9.6 published March 2023
2022-2023	Updates to STS531-9-3-07 and STS531-9-3-11 (DLMS test docs) and test program	In progress – targeted for completion by year end 2023.
2023	Update to STS531-8-3 (HSM API test doc) and test program	WIP – this will test the API commands as per STS600-8-6

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As at end May 2023, membership figures were around 248 (see Figure 1) , an increase of 18 new members since the last report in 2022. In total, 38 members joined the Association in 2022 with 9 new members joining so far in 2023. This is in addition to the 14-membership applications that are still pending approval.

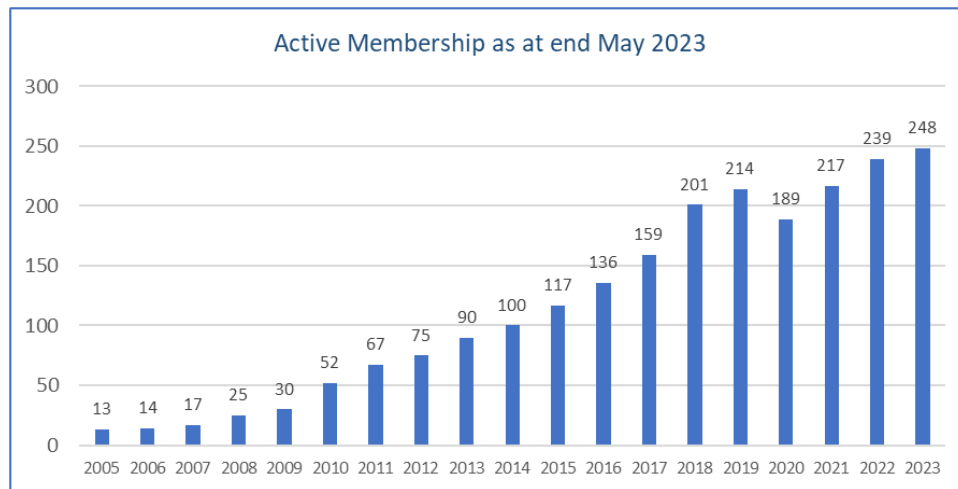


Figure 1: Active membership May 2023

In terms of product certification and compliance, 167 meters, 15 vending systems and 2 hardware security modules were tested in 2022. 2023 has seen a further 39 meters and 3 vending systems tested. The number of products being submitted for certification coupled with the increase in membership indicates a consistent uptake in the adoption of STS technology globally.

From a financial perspective, the Audited Financial Results have been approved and will be presented in detail at the 2023 Annual General Meeting. The financial period is 1 January 2022 to 31 December 2022. Suffice to say total membership contribution amounted to 10.5MZAR with an additional 1.7MZAR being attributed to interest earned. Total NET Income was around 5MZAR after expenses totalling 7.2MZAR were deducted. Key expenditure items relate to Marketing, Technical Advisory, Legal and Key Management Centre costs.

As always, I would like to take this opportunity to thank the board and others for their continued support throughout the year. The 2022/2023 STSA board was constituted as follows:

- Mr. Lance Hawkins-Dady (Conlog and chairman)

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- Mr. Len Schaller (Itron)
- Mr. Lee Naicker (Landis+Gyr)
- Mr. Dave Tarr (Landis+Gyr)
- Mr. Deon van Rooi (Eskom)
- Ms. Jayshree Pershad (Association of Municipal Electricity Utilities)
- Mr. Don Taylor (Independent co-opted Director)
- Mr. Shawn O'Neil (Security Module Manufacturers)
- Mr. Lebina Tsepe (Vending System Manufacturers)
- Ms. Grace Yao (Meter Manufacturers)
- Mr. Andy Stoner (Independent co-opted Director)
- Mr. Vally Padayachee (Alternate Association of Municipal Electricity Utilities)

Many thanks and stay safe,

Lance Hawkins-Dady

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STSA Chairman

5 June 2023