



Department  
of Energy &  
Climate Change

# **SMART METERS PROGRAMME: GOVERNMENT RESPONSE TO CONSULTATION ON INFORMATION REQUIREMENTS FOR MONITORING AND EVALUATION**

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# Chapter 1: Summary

## The Smart Metering Implementation Programme

- 1.1 The Government's vision is for every home and smaller businesses in Great Britain to have smart electricity and gas meters. The roll-out of smart meters will play an important role in Britain's transition to a low-carbon economy and help us meet some of the long-term challenges we face in ensuring an affordable, secure and sustainable energy supply.

Smart metering is a major national programme: one of the largest and most complex investment programmes undertaken by the energy industry. Smart meters have the potential to transform consumers' relationship with energy bringing considerable benefits for both them and the energy industry.

## Monitoring and Evaluation Strategy

- 1.2 The Government holds overall accountability for delivery of the Smart Meter Implementation Programme (the Programme) business case. Monitoring and evaluation of the smart meter roll-out will provide an essential feedback loop to inform decisions by Government and other parties on smart metering implementation and benefits realisation. Our work in this area will seek to deliver evidence to inform policy decisions (including on consumer engagement); assurance that the roll-out has been fully prepared for and can be successfully completed; assessments of progress and benefits realisation during the mass roll-out period; and accountability for the delivery of the Programme's objectives.
- 1.3 The Programme's Monitoring and Evaluation Strategy<sup>1</sup>, published in May 2012, set out four core objectives:
- To ensure that sufficient evidence about consumer impacts and the effectiveness of different approaches to consumer engagement is available, to inform the ongoing development of the approach to consumer engagement including an early review before the end of the Foundation Stage;
  - To report on the full range of costs and benefits attributable to the Programme and inform actions to optimise benefits realisation;
  - To monitor the capability and readiness of industry participants to meet their roll-out obligations;
  - To track progress towards completion.
- 1.4 In addition, two broader objectives were set out:

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<sup>1</sup> Smart Meters Programme: Strategy and consultation on information requirements for monitoring and evaluation, DECC, (May 2012) <https://www.decc.gov.uk/assets/decc/11/consultation/smart-meters-monitoring-evaluation/5454-strategy-cons-smart-meters-monitor-eval.pdf>

- To publish sufficient information on the Programme's progress and benefits, to enable Parliament and other stakeholders to scrutinise and engage with the Programme;
  - To carry out a comprehensive evaluation of the overall success of the Programme in delivering its objectives, to inform future policy development.
- 1.5 Implementation of the Monitoring and Evaluation Strategy will be supported by a series of evidence collection and reporting activities. Industry will be the primary source for much of the evidence and so, when we published the Strategy, we also consulted on proposed licence conditions that set out a broad framework under which the Secretary of State and Ofgem<sup>2</sup> could request information from energy suppliers, and the Secretary of State from network companies. We will also draw on other sources of information, such as consumer surveys conducted by DECC, from the proposed consumer engagement delivery body, and discussions between DECC's and suppliers' programme management offices (PMOs).
- 1.6 Where the monitoring and evaluation activity identifies risks to benefits realisation, or opportunities to enhance benefits, DECC could pursue a range of actions. These include: influencing stakeholders; amending the regulatory framework that governs the smart meter roll-out, where the Government retains powers until the end of 2018; or through wider DECC policy development, such as on energy efficiency obligations.

## Background

1.7 The Government's response to the smart metering Prospectus, published in March 2011, set out the Government's intention to use licence conditions to require suppliers to report on their roll-out plans and progress<sup>3</sup>. The consultation on information requirements to support monitoring and evaluation of the smart meter roll-out<sup>4</sup> built on the Prospectus response and sought views on:

- Draft licence conditions that would require suppliers and network operators to submit information and data to DECC on plans, progress and impacts (including costs and benefits) of smart metering as and when requested through Information Requests.
- How the Programme intends to exercise those powers, and in particular our intention to request annual reports from all larger energy suppliers setting out their plans through to the end of 2019, and reviewing progress to date, supplemented by quarterly updates on key metrics.

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<sup>2</sup> Ofgem is the executive arm of the Gas and Electricity Markets Authority (GEMA) and references in this document to Ofgem as the regulator should be read to include GEMA (referred to as "the Authority" in the accompanying licence conditions).

<sup>3</sup> Smart Metering Implementation Programme: Response to Prospectus Consultation, DECC, (March 2011) <http://www.decc.gov.uk/assets/decc/Consultations/smart-meter-imp-prospectus/1475-smart-metering-imp-response-overview.pdf>

<sup>4</sup> Smart Meters Programme: Strategy and consultation on information requirements for monitoring and evaluation, DECC (May 2012) <https://www.decc.gov.uk/assets/decc/11/consultation/smart-meters-monitoring-evaluation/5454-strategy-cons-smart-meters-monitor-eval.pdf>

- Draft licence conditions that would allow Ofgem to request information from suppliers to monitor compliance with smart metering obligations, and in particular compliance with the 2019 roll-out completion date.
- General issues, including: the cost burden to suppliers of the proposed reporting arrangements; the granularity at which data should be requested; and arrangements for publication of data and information.

1.8 The consultation closed on 27 July 2012. We received 25 written responses from a range of stakeholders including large and small energy suppliers, network companies, consumer groups and Ofgem (see annex B). In addition, we have discussed some specific implementation issues with larger suppliers, and they have been sharing information on their plans and progress with us on a voluntary basis. We welcome this constructive engagement.

## Conclusions

1.9 Having considered the responses to the consultation, the Government is now confirming its proposed approach to requesting information and data from suppliers and networks in some areas and has revised its approach in others. The Government's final position is summarised below.

### Information requests to energy suppliers from Government

1.10 Licence modifications, made under section 88 of the Energy Act 2008, will enable the Secretary of State to obtain information from energy suppliers for purposes related to the monitoring and evaluation of the smart meter roll-out. The licence modifications give the Secretary of State powers to issue Information Requests specifying in detail the content, format and timing of the information required, providing flexibility to amend the requests as information needs change over time.

1.11 The Government intends to require:

- Larger suppliers (those with more than 250,000 domestic gas or 250,000 domestic electricity customers) to submit an annual roll-out report early in each calendar year setting out their overall plans and progress for delivering smart meters to their domestic and smaller non-domestic customers, including information to enable tracking of costs and benefits.
- Larger suppliers to provide quarterly updates on their progress with roll-out, focussed on key indicators such as the number of smart meters and In-Home Displays (IHDs) installed, together with operational metrics to support tracking of costs and benefits.
- Smaller and non-domestic suppliers to report on their progress in delivering the roll-out of smart meters annually, at the start of each calendar year.

- 1.12 In addition, as part of the development of the National Energy Efficiency Data framework (NEED<sup>5</sup>), we intend to ask suppliers to report key smart meter data items at meter-level (MPAN/ MPRN) annually, once changes to industry meter registration systems that enable smart meters to be identified are in place.
- 1.13 The licence modifications also allow the Secretary of State to issue ad hoc Information Requests, should that prove necessary.
- 1.14 Licence modifications will also enable the Secretary of State to request information from gas transporters and electricity distributors to enable the evaluation of the costs and benefits of the Programme to take account of the impacts on network companies. We expect to start to request information only once mass roll-out is underway.

### Provision of energy suppliers' roll-out plans and other information to Ofgem

- 1.15 Licence modifications, made under section 88 of the Energy Act 2008, will enable Ofgem to require suppliers to provide plans and information to facilitate its regulation of the roll-out of smart meters, and require suppliers' compliance with certain aspects of the plans.
- 1.16 In particular:
- Suppliers will be required to provide a well-reasoned plan to Ofgem setting out how they will meet their obligation to roll-out smart meters by the end of 2019. Ofgem has indicated that it expects to request plans once 'key enablers' for the roll-out are in place.
  - For larger suppliers, Ofgem has indicated that the plans submitted to it are likely to comprise a subset of the information from the annual roll-out report submitted to DECC, submitted on the same timescale – early in each calendar year. Ofgem will not request information on costs and benefits, which will be part of the roll-out report submitted to DECC.
  - In addition, Ofgem intends to require suppliers' plans to contain annual milestones indicating the percentage of their domestic and smaller non-domestic customers who will have a smart meter installed by 31 December each year (or an advanced meter installed under the relevant exceptions to the smart meter roll-out obligation). These percentages would be set by suppliers themselves and, once submitted, suppliers would be required to achieve at least 95% of their milestone, unless Ofgem directed a lower figure. Ofgem has said that milestones are expected to be required for each year up to and including 31 December 2018.
  - Suppliers will be allowed to re-submit their plans (including their annual milestones) to Ofgem each year until early 2017, which is when they would be expected to set milestones for 31 December 2017 and 31 December 2018. Ofgem has said it expects to continue to require suppliers to report on their progress against their plans beyond

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<sup>5</sup> Further information on NEED is available on the DECC website:  
[http://www.decc.gov.uk/en/content/cms/statistics/energy\\_stats/en\\_effic\\_stats/need/need.aspx](http://www.decc.gov.uk/en/content/cms/statistics/energy_stats/en_effic_stats/need/need.aspx)

2017. At Ofgem's discretion, suppliers may be allowed to resubmit their plan and milestones within year or after 2017.

- Ofgem will be able to direct suppliers to publish elements of their plan/progress report.
- 1.17 As already set out in the smart meter roll-out obligation<sup>6</sup>, after the roll-out completion date, 31 December 2019, Ofgem would consider whether suppliers had taken 'all reasonable steps' to arrange for all their relevant customers to have smart or advanced meters installed. If individual suppliers have not met the obligation, Ofgem could take appropriate action.
- 1.18 Ofgem has indicated that it will engage directly with stakeholders in developing this framework further, including considering whether it would be appropriate to take a different approach for smaller suppliers.
- 1.19 The licence modifications also enable Ofgem to issue Information Requests in relation to suppliers' readiness to comply with any smart metering licence condition.

### Publication and dissemination

- 1.20 The Government will publish information on the Programme's progress to enable Parliament and other stakeholders to scrutinise and engage with the Programme. DECC intends to publish an annual report, supplemented by quarterly updates as well as research and other evaluation outputs. Data and information will be anonymised and aggregated as necessary to ensure that it remains appropriately protected. Ofgem may ask suppliers themselves to publish some, or all, of their roll-out plans. Ofgem also has existing statutory powers in relation to publication of information where it considers this would promote the interests of consumers.

### Next steps

- 1.21 Following the publication of this response document, the Government expects to lay the licence conditions in Parliament. The Government expects to issue the first information requests to larger suppliers in early 2013, formally requesting submission of an annual roll-out report and establishing a cycle of quarterly updates. We will continue to engage with suppliers as we develop the details of the requests, to ensure that our requirements are clearly described, and welcome the constructive engagement to date.

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<sup>6</sup> Government response to the consultation on draft licence conditions and technical specifications for the roll-out of gas and electricity smart metering, DECC, (April 2012)  
<http://www.decc.gov.uk/assets/decc/11/consultation/smart-metering-imp-prog/4965-gov-resp-cons-tech-spec-smart-meters.pdf>



# Chapter 2: DECC's monitoring and evaluation of the smart meter roll-out

## Chapter summary

The consultation sought views on draft licence conditions that would enable the Secretary of State to obtain information from energy suppliers and network companies for purposes related to the monitoring and evaluation of the smart meter roll-out. This chapter summarises responses to the consultation and the Government's consideration of the issues raised, and confirms that the Government will proceed with licence modifications.

## Mandating data and information provision by energy suppliers

### Consultation position and proposals

- 2.1 The Government's response to the smart meters Prospectus document<sup>7</sup> set out the Government's intention to use licence conditions to require suppliers to report on their roll-out progress and plans: larger suppliers would be required to submit their plans for delivering roll-out, while all suppliers would be required to provide regular monitoring information on their progress.
- 2.2 The consultation built on this position and, taking account of the needs of the Monitoring and Evaluation Strategy, set out draft licence conditions that would give the Secretary of State powers to issue Information Requests to energy suppliers specifying in detail the content, format and timing of the information required, while providing flexibility to amend the requests as information needs change over time.
- 2.3 Two main types of Information Request were envisaged for larger suppliers (those with over 250,000 domestic gas or 250,000 domestic electricity customers):
  - An Annual Supplier Report that would provide the Programme with an overview of their overall strategy and plans for the delivery of smart meters to their domestic and smaller non-domestic customers, report on progress, and provide information that would enable tracking of costs and benefits
  - A set of Monitoring Data focussed on key progress indicators such as the number of smart meters and IHDs installed, which would be requested quarterly.

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<sup>7</sup> Smart Metering Implementation Programme: Response to Prospectus Consultation, DECC, (March 2011) <http://www.decc.gov.uk/assets/decc/Consultations/smart-meter-imp-prospectus/1475-smart-metering-imp-response-overview.pdf>

- 2.4 To ensure that the information collected is proportionate – both in terms of the burden that this places on suppliers and the additional value of the information collected - the consultation proposed that smaller domestic suppliers and non-domestic suppliers should be required to submit monitoring data on an annual, rather than quarterly basis.
- 2.5 The consultation argued that it was not yet possible to determine when the Government would no longer need to collect information from suppliers, and so instead committed to a review before 2019.

## Summary of consultation responses

Consultation Questions	
1.	Do the licence conditions, as drafted, deliver the policy intentions set out above – for example, to create a consistent, predictable and proportionate framework for monitoring and reporting? Do any specific areas of the draft licence conditions need amendment or clarification to deliver this policy, and if so, how should they be amended?
2.	Is there a need for any consequential changes to existing licence conditions or codes to ensure that the proposed requirements on suppliers or network operators work as intended?

- 2.6 Broadly, respondents agreed that the Government needed to collect information from suppliers in order to monitor and evaluate the smart meter roll-out, including the costs and benefits attributable to the Programme. They were generally comfortable with the licence conditions as drafted and believed they would deliver the proposed policy intent.
- 2.7 Some suppliers were concerned that the scope of the licence conditions was too wide and that this would allow the parameters and costs of reporting to be, or evolve over time to become, unreasonable. Respondents, for example, sought assurance that the licence conditions would not act as a back door for general information requests, argued that any new requests should be accompanied by a clear justification, and highlighted that the information requests would need to set out specific requirements very clearly. Several energy suppliers argued that a sunset clause should be defined in the licence conditions to provide assurance that the information requests would be limited to the smart meter roll-out.
- 2.8 It was generally recognised that the Government’s information needs may change over time, and that the licence conditions needed to be flexible enough to allow for this. However, suppliers also highlighted the costs of changing systems to collect particular data items. They called for the Government to baseline the reporting requirements as soon as possible and some also argued that a lead time of six months should be allowed before any changes in requirements were implemented. There were also suppliers who argued that any changes to the reporting requirements should be prospective and not retrospective as historic data items may not be readily available.

- 2.9 A small number of respondents raised points of detail on consequential changes that may need to be made to existing regulations.

### Consultation Question

- |    |  |
|----|--|
| 3. | What are your views on this proposed approach to the scope, frequency and timing of the content of Information Requests? |
|----|--|

- 2.10 Most respondents supported a framework that would see larger suppliers provide an annual report to Government supplemented by quarterly updates, and there were requests to minimise the number of ad hoc information requests outside this framework. Several suppliers were keen to see DECC and Ofgem align their information requirements, particularly around the annual report, in order to reduce reporting burdens and support consistency in reporting. There were a range of views on the appropriate scope for the quarterly updates: some argued that only data on smart meter installation volumes should be collected quarterly, and all other data items annually; while others thought it important for Government to collect a fuller range of data items each quarter.
- 2.11 Respondents generally agreed that smaller domestic and non-domestic suppliers should also be required to provide information to the Government, but that it was appropriate for this to be less frequent than for larger suppliers. Not all agreed: some argued that, as some small suppliers are actively installing smart meters during the Foundation Stage, they should report at the same frequency as larger suppliers. Some smaller suppliers were concerned about the increase in reporting requirements that would arise were their customer base to rise above 250,000.

### Government conclusions

- 2.12 The Government will proceed with licence modifications that give the Secretary of State powers to issue Information Requests to energy suppliers specifying in detail the content, format and timing of the information required. The final licence conditions are set out in annexes D and E.
- 2.13 The purposes for which information can be requested remain as set out in the consultation. We acknowledge suppliers' concerns that the information requests could evolve to become unreasonable but consider that these are outweighed by the need to retain the flexibility for information requests to change over time in response to changing circumstances.
- 2.14 We also recognise suppliers' needs for good notice of information requirements, including time to update systems to collect new data items. As the appropriate notice period will vary depending on the data or information being requested, we have not embedded a minimum notice period in the licence conditions. We are, however, committed to continuing to work with suppliers to ensure that our information requests are clear in their requirements and issued in a timely way, as we have been endeavouring to do for the information that suppliers are currently returning to us on a voluntary basis.

- 2.15 We acknowledge the arguments that the Government's powers to request information should be clearly time-limited, and so have amended the licence drafting to insert a sunset clause for one year after the end of mass roll-out, as defined in the roll-out licence conditions<sup>8</sup>. A similar amendment has been made to the licence conditions under which Ofgem is given powers to request information (see Chapter 3). We would expect by then to have already completed the Post-Implementation Review, planned for 2018-2019, and would also be able to request information for the remainder of the roll-out period to complete further wrap-up reports on progress right up to completion date. Should the Government identify a need for further information from suppliers beyond the roll-out period, we could approach suppliers on a voluntary basis, explore the use of other legal instruments, such as the Statistics of Trade Act 1947 under which suppliers currently provide energy consumption data to DECC or, until the end of 2018, amend the licence conditions.
- 2.16 We plan to proceed with the reporting framework as set out in the consultation document, with larger suppliers asked to submit an annual report supplemented by quarterly updates, and other suppliers asked to provide progress reports on an annual basis. An energy supplier is described as large if they have either more than 250,000 domestic gas customers or more than 250,000 domestic electricity customers. A dual fuel customer therefore counts as one electricity and one gas customer.
- 2.17 The licence conditions also allow Government to issue ad hoc information requests outside this framework, should this prove necessary. We expect to use this power infrequently but could, for example, consider using these powers to require suppliers to share the findings of trials that they are undertaking in readiness for mass roll-out.
- 2.18 To minimise the reporting burden on suppliers and facilitate consistency, we will align the timing and, as far as possible, content of our information requests with Ofgem. We expect to ask larger suppliers to submit their annual roll-out report to DECC in January of each year, although the first submission in 2013 will be somewhat later to take account of the timescale for the introduction of the licence modifications. As discussed further in Chapter 3, Ofgem has indicated that it is likely to request a subset of the information from the annual roll-out report to be submitted to them in January of each year once 'key enablers' for the roll-out are in place, although they may also ask for additional information.
- 2.19 Ofgem will not request information from suppliers on the costs and benefits of the roll-out, which will be part of the roll-out report submitted to DECC. There are no direct regulatory obligations on suppliers to deliver the roll-out of smart metering in line with a particular cost-benefit projection. The regulatory framework has been designed to require suppliers to act in a way that will enable delivery of benefits, and it is these actions that Ofgem will monitor.

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<sup>8</sup> Government response to the consultation on draft licence conditions and technical specification for the roll-out of gas and electricity smart metering equipment, DECC, (April 2012)  
[http://www.decc.gov.uk/en/content/cms/consultations/cons\\_smip/cons\\_smip.aspx](http://www.decc.gov.uk/en/content/cms/consultations/cons_smip/cons_smip.aspx)

- 2.20 The Programme expects to publish a report each year on progress with smart meter roll-out, with the first report to be published before the end of 2012. Information provided by suppliers will inform these reports and we will reflect further on the best timing for our publications, given that we are now committing to request annual reports from suppliers in January.
- 2.21 The Government will continue its process of engaging with stakeholders across industry, including code administrators, to ensure that potential consequential changes to industry codes and licences, have been fully considered and are progressed as necessary.

## Mandating data and information provision by network operators

### Consultation position and proposals

- 2.22 The evaluation of the costs and benefits of the Programme needs to take account of the impacts on network operators. The consultation therefore set out draft licence conditions that would allow the Secretary of State to request information from gas transporters and electricity distributors.

### Summary of consultation responses

- 2.23 The responses received on data and information provision by network operators were captured in the responses to questions 1 and 2 (see above). The respondents who commented on this issue recognised that the Government needed to collect information from network companies in order to evaluate the impacts of the smart meter roll-out and were broadly comfortable with the licence conditions as drafted.
- 2.24 Network operators pointed out that they already report extensively to Ofgem and sought further clarity on what information they are likely to be asked to provide to the Government. Some also queried whether the licence drafting implied that the Government might request information from network companies on areas that were outside their direct responsibility.

### Government conclusions

- 2.25 The Government will proceed with licence modifications that give the Secretary of State powers to issue Information Requests to network companies specifying in detail the content, format and timing of the information required. The final licence conditions are set out in annex F.
- 2.26 The purposes for which the Secretary of State can collect information have been narrowed to remove the reference to the energy savings, which is data that we would expect to collect from energy suppliers. Otherwise, as with the supplier licence conditions, the licence conditions remain relatively broad so as to allow flexibility. The Government expects only to start requesting information from network operators from the start of mass roll-out. We intend to work with network companies and Ofgem to ensure that our requests are clearly defined and complement existing reporting mechanisms.

# Chapter 3: Ofgem's regulatory oversight of smart meter roll-out obligations

## Chapter summary

The consultation sought views on draft licence conditions that set out a framework that would enable Ofgem to require suppliers to provide plans and information to facilitate its regulation of the roll-out of smart meters, and require suppliers' compliance with certain aspects of the plans. This chapter summarises responses to the consultation and the Government's consideration of the issues raised, and confirms that the Government will proceed with licence modifications.

## Consultation position and proposals

- 3.1 Ofgem regulates the gas and electricity markets in Great Britain. Ofgem therefore has an important role in ensuring the interests of consumers remain protected, both during the transition to smart metering and in the enduring framework. Ofgem also monitors and, where appropriate, enforces suppliers' compliance with all licence conditions. Ofgem will therefore need to collect information from suppliers in relation to the new licence conditions that implement the smart meter roll-out. This includes information about suppliers' progress towards the roll-out completion date of end 2019.
- 3.2 The consultation sought views on a framework for provision of information to Ofgem, whereby:
- Suppliers would be required to provide a single plan to Ofgem for fulfilling their roll-out obligations (the 'baseline plan').
  - Suppliers' baseline plans would be required to contain a specific series of interim milestones indicating the percentage of their domestic and smaller non-domestic customers who will have a smart meter installed by set dates. These percentages would be set by suppliers themselves and once submitted, suppliers would be required to meet them.
  - Suppliers would report to Ofgem on progress against their baseline plan (the 'progress report'); and
  - Ofgem would be able to direct suppliers to publish all or part of their plans and progress reports.

- 3.3 In addition, the consultation proposed that Ofgem would have a general information-gathering power in relation to new smart metering licence conditions.
- 3.4 Shortly after the consultation was published, Ofgem issued an information letter that provided more detail on how Ofgem envisaged the proposed framework might work in practice<sup>9</sup>.

## Summary of consultation responses

Consultation Questions	
4.	Do you have any comments on the proposed framework for the provision of suppliers' plans and reporting information to Ofgem? Are there alternative approaches that might better achieve the aims of the framework?
5.	Do you have any comments on the appropriate format of, interval between, and status of any interim milestones?
6.	Do you have any comments on which elements of the above approach would be appropriate form smaller suppliers?
7.	Do the licence conditions as drafted appropriately implement the proposed framework described in this section?

### The need for an interim monitoring regime

- 3.5 The majority of respondents who commented supported the principle of interim monitoring, and some in particular recognised the need for Ofgem to monitor suppliers' progress with the roll-out. However, many respondents caveated this support with concerns about specific elements of the proposed framework. These concerns are described in more detail below.

### Alignment between DECC / Ofgem reporting requirements

- 3.6 Many respondents to the consultation noted the similarities between DECC's Annual Supplier Report and Ofgem's baseline plan. They suggested that DECC and Ofgem align

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<sup>9</sup>Open letter from Ofgem following the publication of DECC's Monitoring and Evaluation consultation and strategy in May 2012.  
[http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/Smart%20Meter%20Roll%20Out\\_Open%20letter%20June%202012.pdf](http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/Smart%20Meter%20Roll%20Out_Open%20letter%20June%202012.pdf)

their requirements wherever possible to reduce the burden of reporting and minimise the potential for discrepancies arising between the data sets.

### **Status of interim milestones**

- 3.7 Respondents commented on the inclusion of supplier-set interim milestones within the roll-out plan they submitted to Ofgem. There were mixed views on whether the interim milestones should be binding: some opposed on principle; others agreed that it was appropriate, but this was frequently caveated with arguments that additional flexibility needed to be added to the framework such as permitting annual re-submissions of the baseline plans and/or more explicit leeway in relation to suppliers' achievement of the milestones.
- 3.8 Some respondents expressed concerns that, without amendments to the proposed framework, suppliers would seek to reduce the regulatory risk associated with the binding interim milestones. They thought that suppliers might submit cautious plans and interim milestones, affecting the accuracy of the information that was made available. It was noted that inaccurate supplier plans could have knock-on impacts across the Programme where the same information was used by others, such as the Data and Communications Company (DCC), for planning purposes. There was also the concern that the framework could potentially encourage suppliers to prioritise achievement of milestones over consumer experience, to the detriment of consumers.

### **Ability to amend interim milestones**

- 3.9 Suppliers commented on the proposed ability for them to only to be able to amend their baseline plans where Ofgem agreed. In general they requested additional clarity on when Ofgem would accept a resubmitted plan, but some thought the plan should be 'rolling', i.e. they should be automatically permitted to re-submit their plan and future milestones at the end of each year. This would enable them to incorporate learning into their predictions especially in the early years of the roll-out. Many noted that they might need to re-submit plans in-year in some circumstances and there was also a request for suppliers to have the ability to re-submit their plan at any time.
- 3.10 Suppliers generally sought further clarity about the steps Ofgem would take if a milestone was missed. Some suggested the first step should be submission of a forward-looking recovery plan to Ofgem before enforcement action was considered.

### **Formulation of interim milestones**

- 3.11 Where respondents commented on the formulation of interim milestones, there was general agreement that annual milestones would be most appropriate (with some connecting this to alignment with DECC's annual reporting cycle for larger suppliers). A small minority suggested that more frequent milestones could be appropriate, either as standard or where a supplier had missed an annual milestone.
- 3.12 Where large suppliers commented, they generally supported the milestone being the percentage of their domestic and smaller non-domestic customers with a smart meter installed. There was also the suggestion that milestones should be actual numbers of



meters installed, rather than percentages. One reason given for this was to account for customer churn.

### **Flexibility in relation to achievement of interim milestones**

- 3.13 Those who commented on flexibility in relation to achieving the interim milestones supported either having a tolerance on the milestones they submitted to Ofgem or an ‘all reasonable steps’ requirement in line with the main roll-out obligation. There was little specific evidence provided as to what this tolerance should be, though some suggested more flexibility early in the roll-out would be appropriate and one respondent suggested 20% to begin with, which could be tightened as roll-out progressed. A small number of respondents also noted that the licence drafting as consulted on would put a supplier in breach for exceeding a milestone, and noted that they opposed any action being taken if a milestone was exceeded.

### **Applying the proposed framework to small suppliers**

- 3.14 A general theme from respondents on applying the proposed framework to small suppliers was the importance of considering the appropriate segmentation of the market when determining which elements of the framework should apply to which suppliers or groups of suppliers. There were mixed views from respondents as to whether the same framework should apply to both small and large suppliers. Approximately half of respondents who commented supported application of the framework to all suppliers, arguing that it is equally important for small suppliers to plan for, and meet, their obligations. In addition, it was noted that planning information from small suppliers could be important in key areas, such as development of the consumer engagement strategy.
- 3.15 The remainder of respondents felt that imposing the framework in its entirety could place a disproportionate burden on smaller suppliers. Respondents in this category suggested a range of amendments to the framework for small suppliers, such as implementing milestones on a voluntary basis, reducing the frequency at which information is requested, having wider tolerances on the milestones or collecting less detailed information.

### **Publication of information in suppliers’ plans and progress reports**

- 3.16 The draft licence conditions included a provision for Ofgem to direct some or all of the information from the roll-out plans and progress reports to be published. A relatively small number of respondents commented directly on this provision, but those who did were primarily large suppliers who raised concerns about the publication of commercially sensitive information, and information in the public domain being misconstrued by stakeholders. It was also noted that given public interest in the roll-out there is a case for Ofgem to publish the plans subject to agreeing the basis on which this would be done.

## **Government conclusions**

### **Annual reporting requirements**

- 3.17 As set out in Chapter 2, Ofgem has indicated that, as far as possible, it will align the timing and content of the plan submitted to it, and any subsequent permitted revisions to that plan, with the annual roll-out report that DECC will be requesting from larger suppliers early in each calendar year. Ofgem has said it is likely to start requesting plans from suppliers at around the time that 'key enablers' for the roll-out are in place.
- 3.18 The licence condition drafting has been amended to reflect this intent. DECC will continue to work with Ofgem to give this commitment practical effect.

### **Annual milestones**

- 3.19 We have decided to retain the requirement for suppliers to set out annual milestones within the plan they submit to Ofgem. These milestones will indicate the percentage of a suppliers' domestic and smaller non-domestic customers who will have a smart meter installed by 31 December each year up to and including 31 December 2018 (or an advanced meter installed under the relevant exceptions to the smart meter roll-out obligation). We consider that percentages are appropriate as they align directly with the formulation of the main roll-out obligation, which the milestones are intended to measure progress towards. Suppliers will then be required to meet their own milestones. We consider that enforceable interim milestones are a key component of the framework and will help to ensure that there is a clear escalation route for Ofgem to take action during the roll-out if needed.
- 3.20 However, we recognise the need to strike an appropriate balance between providing assurance to DECC, Ofgem and other stakeholders about suppliers' progress, and allowing sufficient flexibility for suppliers to amend their roll-out strategies where appropriate. In particular, we recognise concerns about the proposed framework's potential to incentivise undesirable supplier behaviour. We therefore propose to introduce additional flexibility into the framework to help mitigate these concerns.
- 3.21 First, we have decided to permit suppliers to re-submit their plans to Ofgem each year from the original submission date directed by Ofgem until March 2017 if they choose to do so. This has been reflected in amendments to the licence conditions.
- 3.22 Permitting annual resubmissions in the early stages of roll-out means that in that period the only binding milestone would be the one 12 months ahead. This is because suppliers would be able to amend all subsequent milestones in their permitted resubmission the following year. We consider this is appropriate because changes to plans are likely to be most significant in the earlier part of mass roll-out. We would expect suppliers' plans to be considerably more settled in 2017. However, Ofgem would be able to agree to a re-submission at any point if it considered it appropriate.
- 3.23 All plans provided to Ofgem will need to demonstrate how suppliers will meet their roll-out obligations, including providing a clear justification for the Annual Milestones. This includes where a plan is re-submitted with updated milestones.
- 3.24 Second, a tolerance has been added to the milestones to provide some further guaranteed flexibility for suppliers. This, combined with the proposal to permit annual re-

submissions in the early part of mass roll-out, should help to mitigate the potential incentives on suppliers to submit inaccurate forecasts.

- 3.25 Given the limited evidence as to the appropriate level of the tolerance, the licence conditions specify that suppliers will have to meet a minimum of 95% of their milestone, but also give Ofgem the ability to direct a lower number if it considers this appropriate. Suppliers are permitted to exceed their milestone.
- 3.26 The definition of 'Annual Milestone' in the licence has been expanded to include advanced meters installed under the exceptions to the roll-out obligation, as such advanced meters will count towards suppliers' roll-out obligations.

### **Small suppliers**

- 3.27 We consider that Ofgem is best-placed to determine which elements of the framework should be applied to smaller suppliers, including through consultation. The licence conditions allow Ofgem the flexibility to only apply certain elements of the framework to smaller suppliers, if they judge that appropriate.

### **Publication of plans**

- 3.28 We consider that it may be appropriate for suppliers to publish some or all of their plans, for example to provide clarity to stakeholders about plans and progress. We therefore propose to retain the ability for Ofgem to direct which, if any, elements of the plans suppliers should publish. The associated licence condition has therefore not been amended.

### **Next steps**

- 3.29 Ofgem has indicated that it intends to consult on more detailed aspects of the final framework in the first half of 2013, and that it will continue to engage with stakeholders on an informal basis prior to issuing any such consultation. Ofgem has also said that it will keep the framework for provision of information to Ofgem under review in light of any relevant future policy developments.

# Chapter 4: Data collection and handling

## Chapter summary

The consultation sought views on a range of implementation issues, including the publication of information and data collected by Government from industry; the costs to industry of reporting to Government; the level of granularity at which data should be collected; and the scope of the information that should be requested. This chapter summarises consultation responses, the Government's consideration of the issues and how this will inform the development of the Government's Information Requests.

## Data protection and handling

### Consultation position and proposals

- 4.1 The consultation acknowledged that some of the information and data that the Government collects may be classed as personal or commercially sensitive, and recognised that it will be essential that the Programme provides appropriate protection for sensitive data complying fully with both the Data Protection Act 1998 and the Data Handling Procedures in Government guidance to protect both consumers and suppliers. The consultation also described the legal protections that would apply to information provided by suppliers, in particular under section 105 of the Utilities Act 2000.
- 4.2 The Programme intends to publish an annual report, with quarterly updates on progress (as official statistics), and will, as soon as possible, adopt a consistent approach to reporting to enable comparisons over time. The consultation stated that Government would only publish data provided by suppliers on an aggregated and anonymised basis, unless individual suppliers had given explicit consent for the publication of individual information.

### Summary of consultation responses

#### Consultation Question

- |    |  |
|----|--|
| 9. | What are your views on this approach to the publication of aggregated and supplier-specific information? |
|----|--|

- 4.3 Respondents recognised the need for Government to publish reports on the progress of the smart meter roll-out, and that these should draw on information and data collected

from industry. Suppliers, however, were very concerned about the handling of any personal and commercially sensitive information and data.

- 4.4 Specifically, suppliers sought reassurance over the processes that the Government would adopt to ensure compliance with the Data Protection Act and how, and for how long, data would be held. They also argued strongly that no supplier-specific information should be published without prior consent; and sought further clarification on how information and data would be aggregated and anonymised. Consumer groups acknowledged that there are arguments against publishing commercially confidential supplier-specific information but argued that, as a general principle, as much material as possible should be made public.

### Government conclusions

- 4.5 The Government considers it important that information is published on progress with the smart meter roll-out to enable Parliament and other stakeholders to scrutinise and engage with the Programme. It remains our intention to publish an annual report, supplemented by quarterly updates (as official statistics) as well as research and other evaluation outputs. Data and information collected from suppliers will be anonymised and aggregated as necessary to ensure that it remains appropriately protected, although Ofgem may ask suppliers themselves to publish some, or all, of their roll-out plans submitted to Ofgem. Ofgem also has existing statutory powers in relation to publication of information where it considers this would promote the interests of consumers.
- 4.6 We recognise suppliers' concerns over the handling of personal and commercially sensitive information. The Programme is committed to the safe storage of information and will provide extra protection for data or information that is deemed personal or commercially sensitive, operating in accordance with best practice as set out in the Data Handling Procedures in Government: Report 2008<sup>10</sup>, the Data Protection Act 1998, and the restrictions on disclosure set out in section 105 of the Utilities Act 2000.
- 4.7 Section 105 of the Utilities Act 2000 prevents the Government from disclosing data provided under a mandate (such as an Information Request) where it relates to an individual supplier's business and the supplier has not given consent for disclosure (unless some of the more detailed exceptions to the prohibition contained in the section apply). This restriction extends to Freedom of Information Requests. Requests for environmental information are dealt with under the Environmental Information Regulations 2004. Under this legislation, there is an exception from the duty to disclose information where the information is confidential or commercially sensitive, although this is considered on a case by case basis in accordance with the public interest.

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<sup>10</sup> Data handling procedures in Government: Final report, Cabinet Office, (June 2008)

[http://www.gpcwm.org.uk/wp-content/uploads/file/A-Z%20DOWNLOADS/D%20DOWNLOADS/Data\\_handling\\_procedures\\_in\\_govt\\_final\\_report\\_jun\\_08.pdf](http://www.gpcwm.org.uk/wp-content/uploads/file/A-Z%20DOWNLOADS/D%20DOWNLOADS/Data_handling_procedures_in_govt_final_report_jun_08.pdf)

## Costs to energy suppliers

### Consultation position and proposals

4.8 The consultation argued that the data requested by Government would be likely to represent a subset of the data that suppliers are already collecting, or planning to collect, for their own internal monitoring purposes. Additional costs were therefore considered to be limited and, in light of existing allowances for industry set-up costs in the Programme's Impact Assessment, no amendments to the overall Programme cost estimates were anticipated.

### Summary of consultation responses

Consultation Question	
10.	<p>What are your views on the assumptions about the cost burden on suppliers of collecting and reporting on these data and information requirements?</p> <p>What could DECC do to minimise these further?</p>

- 4.9 Most respondents considered that the costs of providing information under the proposed framework would be acceptable, although quantitative evidence was not provided. A number of specific suggestions were made for how the cost burden could be minimised.
- 4.10 Suppliers highlighted that the Government should not assume that all suppliers collected data internally in the same way, nor that they would be collecting all of the data items we might want to request. Some respondents therefore argued that the Government should take account of the practicality and cost of collecting particular data items, as well as testing whether there was a strong justification for collection, before issuing an information request.
- 4.11 Some respondents suggested that costs lay primarily in the set-up of new systems for collecting data, but the on-going costs would be minimal. Similarly, introducing changes to established systems was highlighted as a cost, which led to calls for information requirements to be kept stable over time.
- 4.12 Several suppliers suggested that DECC and Ofgem should align both the content and timing of their information requests, particularly the annual plans and reports, to reduce the administrative burden and support consistency in the data provided.

### Government conclusions

4.13 Our view remains that the Impact Assessment already appropriately captures suppliers' costs for collecting and reporting data items. Nevertheless, we recognise that we can develop our approach to collecting information from suppliers in a way that seeks to minimise costs. As a result, as set out in Chapters 2 and 3, to minimise the reporting burden on suppliers and support consistency in reporting, we will align the timing and, as

far as possible, content of the annual information requests with Ofgem. We are also committed to continuing to work with suppliers to ensure that our information requests are clear in their requirements and issued in a timely way, taking account of the lead times and costs involved in any system changes. We have been discussing with suppliers how best to approach collecting information on cost and efficiency savings from their individual business, and we will continue these conversations.

## Geographical granularity of data to be collected on smart meter installations

### Government position and proposals

- 4.14 The consultation sought views on the level of granularity at which both planning and monitoring data should be collected. We proposed to collect large suppliers' planned roll-out profiles by Distribution Network Operator (DNO) area, on the basis that this would be sufficient to inform the development of DCC services, give high-level assurance of deliverability and, when aggregated, provide wider stakeholders with an indication of levels of smart meter installation across broad areas of the country.
- 4.15 For progress monitoring, views were sought on three broad options. These were to provide the Programme with data on smart meter installations at: meter level (MPAN/MPRN), postcode level and DNO area. The consultation noted that more granular data would allow for more sophisticated data analysis. It also set out plans to support in-depth evaluation of the smart meter roll-out by tracking the energy use of representative sample groups of customers with and without smart meters – which would require meter-level data.
- 4.16 It was proposed that data to support evaluation of supplier costs and efficiency savings should be collected at supplier level i.e. without any geographic breakdown.

### Summary of responses

Consultation Question	
8.	<p>What are your views on the options for different geographical granularity of data collection for:</p> <ul style="list-style-type: none"> <li>• Monitoring the roll-out of smart meters</li> <li>• Tracking the impact of smart meters on consumer's energy use for a sample of consumers</li> <li>• Understanding the benefits and costs incurred?</li> </ul>

### Planned roll-out profiles

- 4.17 Respondents generally recognised that the Government needed to collect data on suppliers' planned roll-out profiles below national level. Further, suppliers generally agreed that DNO level was appropriate and that providing further granularity risked the data rapidly becoming inaccurate as detailed plans will evolve dynamically in response to

evolving circumstances. However, it was highlighted that the data would only be useful to Gas Distribution Networks (GDN) if they could see it presented by GDN area.

### **Installation of data for monitoring the roll-out of smart meters**

- 4.18 Energy suppliers were concerned about the Government's proposed approach for suppliers to provide installation monitoring information at meter level (MPAN/ MPRN). They thought it would be expensive and the Government would need to provide suppliers with a clear justification to explain why they should provide information to the Programme at this level. As an alternative, energy suppliers suggested providing the Programme with information using the first section of the postcode.

### **Tracking consumer's energy use**

- 4.19 Energy suppliers recognised the reason for the collection of energy efficiency data for a small group of representative customers identified by suppliers and the Programme at meter level (MPAN/ MPRN). However, they requested that the administrative burden on finding consenting customers should not fall to them.
- 4.20 A consumer group agreed that it would be useful if energy efficiency data was provided geographically as this would help highlight where there are fewer benefits for those living in certain areas and types of housing.

## **Government conclusions**

### **Planned roll-out profiles**

- 4.21 Larger energy suppliers are currently sharing their roll-out profiles with the Programme by DNO area, which has been used to fulfil a variety of data needs across the Programme, in particular informing the DCC service provider procurement process (the boundaries of the three DCC communications regions align with DNO boundaries). The Government is minded to continue collecting planning information by DNO area, but will reflect further on how to respond to the needs of GDNs to see roll-out profiles by GDN area.
- 4.22 We recognise that others, including network companies, DCC service providers, and potentially the Central Delivery Body are likely to need more granular information, particularly once mass roll-out is underway. We consider it to be more appropriate for individual suppliers to share more granular information directly with those parties who need it, making appropriate arrangements to protect commercially sensitive data.

### **Monitoring and evaluating the roll-out**

- 4.23 Larger energy suppliers are also currently reporting on their progress with delivering smart meter installations at DNO level. To enable data to be aggregated to a range of geographic levels (e.g. local authority, constituency, urban/rural) we expect to request quarterly reporting to be submitted at some level of the postcode in due course. This will



enable the data to be used, for example, to support targeting of consumer engagement activities and provide assurance to interested parties on the progress of roll-out.

- 4.24 In addition, we intend to ask suppliers to provide key data items, such as the date of installation of a smart meter and IHD, at meter-level (MPAN/MPRN) annually. This will support the evaluation of Government policies that impact on individual premises, such as smart metering, Green Deal and FITs, and analysis to underpin the development of new policies, which needs to be able to control for the presence of smart metering. NEED, which is managed by DECC, holds annualised energy consumption data by meter point for both gas and electricity matched with data on property characteristics to enable detailed analysis of the impacts of policy measures. Any reporting using meter-level data would be at a non-disclosive aggregated level. Changes to industry meter registration systems that will enable smart meters to be identified are already underway, driven by the needs of the DCC. Once these changes are in place, we intend to work with suppliers to arrange for key smart meter data flags to be reported to DECC annually. DECC would incorporate these data items into NEED.
- 4.25 NEED is operated taking full account of the requirements of the Data Protection Act 1998, and robust systems have been established to ensure that personal data is handled appropriately. To ensure that data protection arrangements remain fit for purpose as NEED evolves, DECC will carry out a Privacy Impact Assessment, planned for early in 2013.
- 4.26 We will continue to explore with suppliers how best to establish representative samples of customers to support in-depth evaluation work. We currently expect to compare changes in energy consumption for a sample of consumers who have received smart meters, with a control group. This approach follows the recommendations of a recent project<sup>11</sup> to project to propose the indicators and data required to support monitoring and evaluation of smart meters in relation to consumer impacts. For the treatment and control samples we expect to require periodic (e.g. quarterly) energy consumption data at meter level to measure changes in annual consumption due to the impact of smart meters. We do not expect suppliers to need to seek customer consent to pass energy consumption data at this level of granularity to DECC.
- 4.27 Data on supplier costs and efficiency savings will be collected at supplier level, with no breakdown by geographical or other business area.

## Annual supplier report

### Government position and proposals

- 4.28 The consultation sought views on the information that the Government should request from larger suppliers in their annual roll-out reports. The reports would be intended to provide the Programme with a high-level snap-shot of suppliers' plans and progress for delivering the roll-out of smart meters, providing the context for interpretation of regular monitoring data and more detailed engagement with the Programme on specific issues. Both qualitative and quantitative information would be requested and the content was

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<sup>11</sup> Smart Meters Evaluation Data Framework (Consumer Impacts): Final Report AECOM

envisaged to be in five sections: roll-out strategy overview, roll-out trajectory and progress, readiness and capability, consumer engagement, cost and benefit information.

- 4.29 In parallel with the consultation process, the larger suppliers all completed a draft template of the annual roll-out report on a voluntary basis. This both provided the Programme with useful information and allowed us to test our requirements.

## Summary of responses

### Consultation Question

- |     |   |
|-----|---|
| 11. | What are your views on the information that large domestic suppliers should provide to Government on an annual basis? |
|-----|---|

- 4.30 As already noted, respondents agreed that it was appropriate for the Government to request an annual roll-out report from suppliers although there were calls for DECC and Ofgem to align their information requirements. Respondents generally felt that we intended to cover the right areas but there was a group of respondents who suggested that the proposed outline was too detailed and would provide the Government with more information than was fully justified.
- 4.31 Suppliers particularly expressed concerns over the collection of data on supplier costs and efficiency savings, highlighting that different suppliers have differing business models and organisational structures that would make accurate comparisons difficult. Respondents generally understood that some data on costs and efficiency savings needed to be collected by the Programme, but suggested that further work needed to take place to agree how it should be calculated and presented by suppliers to the Programme, and then to the public. Some suppliers have suggested that they would prefer commercially sensitive cost data to be aggregated across suppliers by a third party before transmission to the Government.
- 4.32 Consumer groups highlighted that the annual report provided a useful opportunity for the Programme to ask energy suppliers to outline their processes for identifying vulnerable and fuel poor customers and their approach to engaging with this group of customers through the installation process.

### Government conclusions

- 4.33 In the annual roll-out report, we intend to ask larger suppliers to set out: their overall roll-out strategy; their planned roll-out profiles through to 2019, with an assessment of progress to date; supporting evidence on capability to deliver their plans, including readiness for mass roll-out; consumer engagement plans; and information to enable tracking of costs and benefits.
- 4.34 We will continue to develop our methodology for tracking supplier costs and benefits in discussion with suppliers, and intend to use an approach based on establishing metrics that correspond to cost and benefit areas set out in the Programme's impact assessment.

This approach is designed to track and monitor benefits at industry level: we recognise that each individual supplier will incur costs and realise benefits at different rates. We have considered alternative approaches, but believe that our current approach is the most effective way to monitor this critical area of the Programme. We plan to request information in 2013 that would enable us to establish a baseline against which benefits can be tracked throughout roll-out.

- 4.35 Where the monitoring and evaluation activity identifies risks to benefits realisation, or opportunities to enhance benefits, DECC could pursue a range of actions. These include: influencing stakeholders; amending the regulatory framework that governs the smart meter roll-out, where the Government retains powers until the end of 2018; or through wider DECC policy development, such as on energy efficiency obligations.
- 4.36 As explained in paragraph 4.7, existing restrictions in section 105 of the Utilities Act 2000 prevent the Government from disclosing data provided under a mandate (such as an Information Request) where it relates to an individual supplier's business and the supplier has not given consent for disclosure.
- 4.37 As already discussed in Chapters 2 and 3, the content and timing of the annual report will, as far as possible, be aligned with Ofgem's requirements. Ofgem has said that it intends to ask larger suppliers to submit relevant sections of their annual roll-out report to them (excluding information not needed for Ofgem to fulfil its role, such as information on costs and benefits), starting once 'key enablers' for the roll-out are in place.
- 4.38 The larger energy suppliers voluntarily completed a draft template of the annual roll-out report in August 2012. We plan to request a formal submission, under licence conditions, early in 2013 and then in January of each subsequent calendar year. We will review the template before issuing it formally, taking account both of the points raised in the consultation and an assessment of the voluntary returns (for example, to clarify questions where interpretations have varied). We will ensure that suppliers are given an appropriate period of time to complete the report.

## Regular monitoring data

### Government position and proposal

- 4.39 For quarterly reporting from larger suppliers, the consultation sought views on plans to request data on how many gas and electricity smart meters and In-home Displays (IHDs) are being installed in each reporting period, where and when this activity is occurring, with information on the broad customer category (e.g. domestic, non-domestic) and payment types (pre-payment meter, credit). To further help the Programme understand potential barriers and risks to successful roll-out, collection of high-level information on issues such as whether customers are actively refusing smart meters, and the extent to which operational or communications issues are causing smart meter installations to be aborted, was also proposed. Data would also be requested on activity levels in key areas that drive costs. Combined with unit cost information collected through the annual report this would enable suppliers' efficiency savings to be tracked.

- 4.40 Tailored data requirements would be developed for smaller and non-domestic suppliers, who would be asked to report on progress annually.

## Summary of responses

Consultation Question	
12.	What are your views on the information that suppliers should provide to the Government on a regular reporting cycle?

- 4.41 There was broad agreement amongst many respondents that it was appropriate for the Government to collect quarterly monitoring data from larger energy suppliers. There were a range of views on the appropriate scope for the quarterly updates: some argued that only data on smart meter installation volumes should be collected quarterly, and all other data items annually; while others thought it important for Government to collect a fuller range of data items each quarter.
- 4.42 As with the annual roll-out report, some suppliers thought the proposed scope of the quarterly reporting was broader, and therefore more costly, than could be fully justified. It was highlighted that suppliers would be monitoring the implementation of the Installation Code of Practice, and that this could provide a source for some of the data items. On the other hand, a consumer group suggested that more detailed reporting was needed, including: whether an IHD is provided, left fully operational and ready to use; if the customer changed tariff or payment method when the meter was fitted; report on sales or marketing activity at the point of the installation; find out why consumers have actively refused a smart meter; and note the number of failed and non-standard installations.
- 4.43 Some suppliers thought the requirement to provide operational measures for the purposes of tracking supplier efficiency savings on a quarterly basis was too onerous and could be included in the annual report instead.
- 4.44 Smaller suppliers agreed that it was appropriate for them to report on progress annually.

## Government conclusions

- 4.45 Larger energy suppliers are already reporting voluntarily each quarter on their progress with delivering smart meter installations, with the data provided by DNO area and customer type (e.g. domestic/non-domestic, pre-payment meter/credit). Over the coming months we will work with suppliers both to ensure that our requirements are clearly expressed and to set out how our requirements are likely to evolve through the Foundation Stage and into mass roll-out to further help the Programme understand potential barriers and risks to successful roll-out, including tracking costs and benefits – taking account of the responses to the consultation.

- 4.46 We intend to collect progress reports from smaller and non-domestic suppliers on an annual basis, early in each calendar year, and expect to ask them to complete a smaller selection of reporting information than large suppliers.

## Chapter 5: Overview of next steps

### Licence conditions

- 5.1 Following the publication of this response to the consultation, the Government expects to lay the licence conditions before Parliament.

### Information requests from Government

- 5.2 Once the licence conditions come into force, we expect to issue Information Requests to larger suppliers to formalise the annual and quarterly reporting cycle that is currently operating on a voluntary basis. We expect to request submission of an annual roll-out report in early 2013 (allowing for suitable time for suppliers to complete the report once the licence conditions have taken effect), and of quarterly monitoring data one month after the end of each quarter. Subsequent annual roll-out reports will be requested for January of each year
- 5.3 We expect to first ask for annual progress reports from other suppliers in January 2014.
- 5.4 The information requests will set out exactly what information suppliers are asked to provide to the Programme and the date that information is expected to be submitted. We will work with suppliers to ensure that our requests are clear.

### Provision of information to Ofgem

- 5.5 Ofgem has indicated that it intends to consult on more detailed aspects of the final framework in the first half of 2013, and that it will continue to engage with stakeholders on an informal basis prior to issuing any such consultation. It is currently anticipated that Ofgem will begin asking for plans from suppliers around the start of mass roll-out. Ofgem has also indicated that it will also be considering further its approach to monitoring suppliers' compliance with the new smart metering regulatory framework more generally.

# Annex A: Consultation questions

Consultation Question	
1.	Do you agree that the licence conditions, as drafted, would deliver the policy intentions as set out above? Do any specific areas of the draft licence conditions need amendment or clarification, and if so, how should they be amended?
2.	Is there a need for any consequential changes to existing licence conditions or codes to ensure that the proposed requirements on suppliers or network operators work as intended?
3.	What are your views on this proposed approach to the scope, frequency and timing of the content of Information Requests?
4.	Do you have any comments on the proposed framework for the provision of suppliers' plans and reporting information to Ofgem?
5.	Do you have any comments on the appropriate format of, and interval between, the interim milestones?
6.	Do you have any comments on which elements of the above approach would be appropriate for smaller suppliers?
7.	Do the licence conditions as drafted effectively implement the proposed framework described in this section?
8.	<p>What are your views on the options for different geographical granularity of data collection for:</p> <ul style="list-style-type: none"> <li>• Monitoring the roll-out of smart meters</li> <li>• Tracking the impact of smart meters on consumer's energy use for a sample of consumers</li> <li>• Understanding the benefits and costs incurred?</li> </ul>
9.	What are your views on this approach to the publication of aggregated and supplier-specific information?
10.	What are your views on the assumptions about the cost burden on suppliers of

	<p>collecting and reporting on these data and information requirements?</p> <p>What could DECC do to minimise these further?</p>
11.	<p>What are your views on the information that large domestic suppliers should provide to Government on an annual basis?</p>
12.	<p>What are your views on the information that suppliers should provide to the Government on a regular reporting cycle?</p>



## Annex B: Responses to the consultation

The Energy Act 2008 gave the Secretary of State powers to amend existing licences and codes, and to create new licences and industry codes for the purpose of delivering the Smart Metering Implementation Programme. Any changes made under these powers must first be the subject of consultation, including with the Gas and Electricity Markets Authority, before being presented to Parliament.

On 31 May 2012, the Government issued a consultation on the approach that should be taken to gathering monitoring and evaluation information on the roll-out of smart meters. The consultation document sought views on new conditions that would be added to electricity and gas supply licences. These would require suppliers to provide the Programme with monitoring and evaluation reporting information on a regular basis for the Government to be able to monitor the progress that is being made and act on any problems that are identified by suppliers.

The consultation document was made available on the DECC website and emailed directly to a wide range of stakeholders who had previously shown an interest in the collection of monitoring and evaluation information on the roll-out of smart meters. A number of discussions were held with stakeholders during the consultation period, some bilateral and some in wider stakeholder such as the Programme's Consumer Engagement and Roll-out Group (CERG).

Responses to the consultation were directed to the email address ([smartmetering@decc.gsi.gov.uk](mailto:smartmetering@decc.gsi.gov.uk)) and a total of 25 responses were received. We would like to thank all of those who responded to the consultation.

A breakdown by stakeholder group is provided below. A complete list of bodies who responded to the consultation is at Annex C.

Type of respondent	Number of responses
Large domestic Electricity and Gas supplier	6
Small domestic Electricity and Gas supplier	2
Small non-domestic Electricity and Gas supplier	1
Energy distributor	6
Energy trade association	2
Government	1
Consumer representative	2
Communications and data service provider	2
Other	3
<b>Total</b>	<b>25</b>

# Annex C: List of respondents

The following stakeholders responded to the consultation:

British Gas	Good Energy
Consumer Focus	HP Enterprise Services UK Ltd
Department of Civil and Environmental Engineering	National Grid Gas Distribution
DONG Energy	Northern Powergrid
EDF Energy	Ofgem
Electralink	RWE N Power
Electricity North West	Scottish and Southern Energy (SSE)
Elexon	Scottish Power
Energy Services and Technology Association (ESTA)	Smartest Energy
Energy UK	SP Energy Networks (SPEN)
E. On	UK Power Networks
First Utility	Which?
	Wales and West Utilities

# Annex D: Licence conditions – Gas supply licence

## **Condition 37. Roll-out Reporting and Provision of Information to the Secretary of State**

### **Introduction**

37.1 This condition provides for the Secretary of State to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance, and use of meters.

### **Purposes**

37.2 The purposes of this condition are to ensure that the Secretary of State may obtain such information as he may reasonably require to enable him, from time to time, to:

- (a) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
- (b) monitor and review the steps taken, or to be taken, by the licensee to:
  - (i) install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems and In-Home Displays in accordance with the requirements of any Relevant SMS Condition;
  - (ii) promote awareness and understanding by Energy Consumers of the use of Smart Metering Systems and In-Home Displays (and information that may be obtained through them);
- (c) evaluate:
  - (i) the scope and effectiveness of the licensee's consumer engagement activities; and
  - (ii) the implementation of the Consumer Engagement Plan;
- (d) identify and evaluate the costs associated with, and benefits attributable to, the provision, installation, operation, maintenance, and use of Smart Metering Systems and In-Home Displays, including in particular:

- (i) energy savings made as a result of Energy Consumers being able to better manage their energy consumption and expenditure;
- (ii) cost savings and improvements in services resulting from changes made to energy industry activities and procedures;
- (e) decide whether or when there may be a need for him to exercise any of his powers under any Relevant SMS Condition or section 88 of the Energy Act 2008; and
- (f) publish information in respect of the matters set out in paragraphs (a) - (e) above.

### **Information Request**

37.3 The Secretary of State may, for the purposes of this condition, from time to time issue a request for Information to be provided to him (an **Information Request**).

37.4 An Information Request (or any part of it) may be addressed to the licensee alone, to all Gas Suppliers or to a category of Gas Suppliers.

37.5 An Information Request may in particular, where the licensee supplies gas to at least 250,000 Domestic Customers, require the licensee to provide:

- (a) on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of:
  - (i) its proposals, plans and projections for meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays; and
  - (ii) its progress against the proposals, plans and projections included in the previous year's roll-out report,
 (together the **roll-out report**); and
- (b) for such periods and at such frequency as may be specified in the Information Request, Information which sets out the licensee's progress against the proposals, plans and projections included in its latest roll-out report (the **monitoring report**).

37.6 An Information Request may in particular, where the licensee supplies gas to fewer than 250,000 Domestic Customers or supplies gas only to Non-Domestic Customers, require it to provide on an

annual basis (and at such other times as may be specified in the Information Request) Information in respect of its proposals for and progress towards meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays (the **progress report**).

37.7 An Information Request may in particular specify:

- (a) the type and nature of Information to be provided, including in particular the type and nature of Information to be provided in a roll-out report, monitoring report, and progress report;
- (b) that the Information is to be accompanied by such supporting documents or data as may be described;
- (c) that all or some of the specified Information must continue to be provided at the intervals specified until such date as specified or until the Secretary of State issues a subsequent Information Request to the licensee or the category of Gas Suppliers of which it is a member; and
- (d) the form and manner in which, and the date by which, the specified Information is to be provided.

37.8 The licensee must comply with an Information Request addressed to it or to a category of Gas Suppliers of which it is a member.

37.9 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

37.10 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

37.11 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 33.1 of standard condition 33 of this licence.

### **Interpretation and Definitions**

37.12 In this condition:

<b>Consumer Engagement Plan</b>	has the meaning given to it in standard condition 40 (Smart Metering Consumer Engagement) of this licence.
<b>Energy Consumer</b>	means a consumer of gas or electricity.
<b>Information</b>	includes information in any form or medium and of any description specified by the Secretary of State and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Secretary of State.
<b>Relevant SMS Condition</b>	means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance, or use of a Smart Metering System or an In-Home Display.

## **Condition 38. Roll-out Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority**

### **Introduction**

38.1 This condition provides for:

- (a) the licensee to be required to prepare and provide to the Authority a Roll-out Plan, to report against the Roll-out Plan and to set and achieve Annual Milestones; and
- (b) the Authority to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Gas Meters and the licensee's achievement of the Annual Milestones.

### **Purposes**

38.2 The purposes of this condition are to:

- (a) provide that the Authority may require the licensee to prepare a Roll-out Plan which includes Annual Milestones;
- (b) require the licensee to achieve the Annual Milestones set out in the Roll-out Plan; and
- (c) ensure that the Authority may obtain such information as it may reasonably require to enable it, from time to time, to:
  - (i) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
  - (ii) monitor and review the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Gas Meters in accordance with the requirements of any Relevant SMS Condition; and
  - (iii) monitor the licensee's achievement of the Annual Milestones set out in the Roll-out Plan.

### **Roll-out Plan and Progress Reports**



- 38.3 Where directed by the Authority, the licensee must prepare and submit to the Authority, by a date specified in a direction issued by the Authority, a document (the **Roll-out Plan**) which contains:
- (a) where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 37, such parts of the roll-out report as are specified in the direction;
  - (b) Annual Milestones, set by the licensee for such period as may be specified in the direction, for the purpose of the licensee complying with its duties in relation to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Gas Meters;
  - (c) a detailed explanation of the licensee's reasons, which reasons must be duly justified, for the Annual Milestones set by it; and
  - (d) such other Information as may be specified in the direction.
- 38.4 The licensee must achieve the Annual Milestones set out in its Roll-out Plan.
- 38.5 For the purposes of paragraph 38.4, the licensee shall be considered to have achieved an Annual Milestone set out in its Roll-out Plan where, by the end of the calendar year to which that Annual Milestone relates, it has reached at least 95% (or such lower percentage as may be specified in any direction issued to the licensee by the Authority) of that Annual Milestone.
- 38.6 The licensee may submit a revised Roll-out Plan to the Authority only:
- (a) on, or in the seven days immediately following, each anniversary, occurring prior to 31 March 2017, of the date specified in the direction issued by the Authority in accordance with paragraph 38.3; or
  - (b) where in response to a request from the licensee, the Authority has agreed that it may submit a revised Roll-out Plan.
- 38.7 Where, in accordance with paragraph 38.6, the licensee submits a revised Roll-out Plan, it must also set out its reasons, which reasons must be duly justified, for making the revisions together with such supporting Information as may be required by the Authority.
- 38.8 The licensee must prepare and submit to the Authority, in accordance with any direction issued to the licensee by the Authority and for such periods and at such frequency as may be specified in the

direction, a report (the **Progress Report**) which sets out the licensee's progress and performance against the Roll-out Plan.

38.9 The licensee must publish its Roll-out Plan and any Progress Report, or such Information contained in the Roll-out Plan and any Progress Report, where it is directed to do so by the Authority.

### **Directions**

38.10 The licensee must comply with any directions the Authority may issue for the purposes of this condition and which are addressed to it or to a category of Gas Suppliers of which it is a member.

38.11 A direction issued by the Authority may, in particular, specify:

- (a) the format of the Roll-out Plan and the Progress Report;
- (b) the form and manner in which the Annual Milestones need to be included in the Roll-out Plan;
- (c) the Information the licensee must include in the Progress Report, which may, where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 37, include such parts of the roll-out report as are specified in the direction;
- (d) requirements in relation to the submission of the Roll-out Plan and Progress Reports to the Authority; and
- (e) the manner and method by which any specified Information from the Roll-out Plan and any Progress Report must be published by the licensee.

### **Information Request**

38.12 Where the licensee receives a request for Information from the Authority for the purposes of this condition (an **Information Request**), it must provide that Information to the Authority within the time and in the form requested.

38.13 An Information Request issued by the Authority may in particular specify the type and nature of Information to be provided by the licensee, including in particular in respect of:

- (a) the readiness of the licensee to comply with any Relevant SMS Condition; and

- (b) the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Gas Meters in accordance with the requirements of any Relevant SMS Condition.

38.14 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

38.15 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

38.16 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 33.1 of standard condition 33 of this licence.

### **Interpretation**

38.17 In this condition:

**Annual Milestone**

means a percentage of the total number of Domestic Premises and Designated Premises:

- (a) in respect of which the licensee is the Relevant Gas Supplier; and
- (b) at which a Smart Metering System or Relevant Gas Meter is to be installed by the end of each calendar year falling within the period specified in a direction issued by the Authority under paragraph 38.3.

**Progress Report**

means a report submitted in accordance with paragraph 38.8.

**Relevant Gas Meter**

means any Gas Meter installed or arranged to be installed by the licensee pursuant to paragraphs

33.8, 33.9 or 33.10 of standard condition 33 of this licence.

**Relevant SMS Condition**

means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance or use of a Smart Metering System or an In-Home Display.

**Roll-out Plan**

means a plan submitted in accordance with paragraph 38.3, as it may be revised in accordance with paragraph 38.6.

# Annex E: Licence conditions – Electricity supply licence

## Condition 43. Roll-out Reporting and Provision of Information to the Secretary of State

### Introduction

43.1 This condition provides for the Secretary of State to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance, and use of meters.

### Purposes

43.2 The purposes of this condition are to ensure that the Secretary of State may obtain such information as he may reasonably require to enable him, from time to time, to:

- (a) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
- (b) monitor and review the steps taken, or to be taken, by the licensee to:
  - (i) install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems and In-Home Displays in accordance with the requirements of any Relevant SMS Condition;
  - (ii) promote awareness and understanding by Energy Consumers of the use of Smart Metering Systems and In-Home Displays (and information that may be obtained through them);
- (c) evaluate:
  - (i) the scope and effectiveness of the licensee's consumer engagement activities; and
  - (ii) the implementation of the Consumer Engagement Plan;
- (d) identify and evaluate the costs associated with, and benefits attributable to, the provision, installation, operation, maintenance, and use of Smart Metering Systems and In-Home Displays, including in particular:

- (i) energy savings made as a result of Energy Consumers being able to better manage their energy consumption and expenditure;
- (ii) cost savings and improvements in services resulting from changes made to energy industry activities and procedures;
- (e) decide whether or when there may be a need for him to exercise any of his powers under any Relevant SMS Condition or section 88 of the Energy Act 2008; and
- (f) publish information in respect of the matters set out in paragraphs (a) - (e) above.

### **Information Request**

43.3 The Secretary of State may, for the purposes of this condition, from time to time issue a request for Information to be provided to him (an **Information Request**).

43.4 An Information Request (or any part of it) may be addressed to the licensee alone, to all Electricity Suppliers or to a category of Electricity Suppliers.

43.5 An Information Request may in particular, where the licensee supplies electricity to at least 250,000 Domestic Customers, require the licensee to provide:

- (a) on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of:
  - (i) its proposals, plans and projections for meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays; and
  - (ii) its progress against the proposals, plans and projections included in the previous year's roll-out report,  
  
(together the **roll-out report**); and
- (b) for such periods and at such frequency as may be specified in the Information Request, Information which sets out the licensee's progress against the proposals, plans and projections included in its latest roll-out report (the **monitoring report**).

43.6 An Information Request may in particular, where the licensee supplies electricity to fewer than 250,000 Domestic Customers or supplies electricity only to Non-Domestic Customers, require it to

provide on an annual basis (and at such other times as may be specified in the Information Request) Information in respect of its proposals for and progress towards meeting its duties in relation to the provision, installation, operation, and maintenance of Smart Metering Systems and In-Home Displays (the **progress report**).

43.7 An Information Request may in particular specify:

- (a) the type and nature of Information to be provided, including in particular the type and nature of Information to be provided in a roll-out report, monitoring report, and progress report;
- (b) that the Information is to be accompanied by such supporting documents or data as may be described;
- (c) that all or some of the specified Information must continue to be provided at the intervals specified until such date as specified or until the Secretary of State issues a subsequent Information Request to the licensee or the category of Electricity Suppliers of which it is a member; and
- (d) the form and manner in which, and the date by which, the specified Information is to be provided.

43.8 The licensee must comply with an Information Request addressed to it or to a category of Electricity Suppliers of which it is a member.

43.9 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

43.10 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

43.11 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 39.1 of standard condition 39 of this licence.

### **Interpretation and Definitions**

43.12 In this condition:

<b>Consumer Engagement Plan</b>	has the meaning given to it in standard condition 42 (Smart Metering Consumer Engagement) of this licence.
<b>Energy Consumer</b>	means a consumer of gas or electricity.
<b>Information</b>	includes information in any form or medium and of any description specified by the Secretary of State and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Secretary of State.
<b>Relevant SMS Condition</b>	means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance, or use of a Smart Metering System or an In-Home Display.



## **Condition 44. Roll-out Reporting, Setting and Achieving Annual Milestones, and Provision of Information to the Authority**

### **Introduction**

44.1 This condition provides for:

- (a) the licensee to be required to prepare and provide to the Authority a Roll-out Plan, to report against the Roll-out Plan, and to set and achieve Annual Milestones; and
- (b) the Authority to be able to obtain from the licensee information in respect of matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Electricity Meters and the licensee's achievement of the Annual Milestones.

### **Purposes**

44.2 The purposes of this condition are to:

- (a) provide that the Authority may require the licensee to prepare a Roll-out Plan which includes Annual Milestones;
- (b) require the licensee to achieve the Annual Milestones set out in the Roll-out Plan; and
- (c) ensure that the Authority may obtain such information as it may reasonably require to enable it, from time to time, to:
  - (i) examine and assess the readiness of the licensee to comply with any Relevant SMS Condition;
  - (ii) monitor and review the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Electricity Meters in accordance with the requirements of any Relevant SMS Condition; and
  - (iii) monitor the licensee's achievement of the Annual Milestones set out in the Roll-out Plan.

### **Roll-out Plan and Progress Reports**

- 44.3 Where directed by the Authority, the licensee must prepare and submit to the Authority, by a date specified in a direction issued by the Authority, a document (the **Roll-out Plan**) which contains:
- (a) where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 43, such parts of the roll-out report as are specified in the direction;
  - (b) Annual Milestones, set by the licensee for such period as may be specified in the direction, for the purpose of the licensee complying with its duties in relation to the provision, installation, operation, maintenance and use of Smart Metering Systems, In-Home Displays and Relevant Electricity Meters;
  - (c) a detailed explanation of the licensee's reasons, which reasons must be duly justified, for the Annual Milestones set by it; and
  - (d) such other Information as may be specified in the direction.
- 44.4 The licensee must achieve the Annual Milestones set out in its Roll-out Plan.
- 44.5 For the purposes of paragraph 44.4, the licensee shall be considered to have achieved an Annual Milestone set out in its Roll-out Plan where, by the end of the calendar year to which that Annual Milestone relates, it has reached at least 95% (or such lower percentage as may be specified in any direction issued to the licensee by the Authority) of that Annual Milestone.
- 44.6 The licensee may submit a revised Roll-out Plan to the Authority only:
- (a) on, or in the seven days immediately following, each anniversary, occurring prior to 31 March 2017, of the date specified in the direction issued by the Authority in accordance with paragraph 44.3; or
  - (b) where in response to a request from the licensee, the Authority has agreed that it may submit a revised Roll-out Plan.
- 44.7 Where, in accordance with paragraph 44.6, the licensee submits a revised Roll-out Plan, it must also set out its reasons, which reasons must be duly justified, for making the revisions together with such supporting Information as may be required by the Authority.
- 44.8 The licensee must prepare and submit to the Authority, in accordance with any direction issued to the licensee by the Authority and for such periods and at such frequency as may be specified in the

direction, a report (the **Progress Report**) which sets out the licensee's progress and performance against the Roll-out Plan.

44.9 The licensee must publish its Roll-out Plan and any Progress Report, or such Information contained in the Roll-out Plan and any Progress Report, where it is directed to do so by the Authority.

### **Directions**

44.10 The licensee must comply with any directions the Authority may issue for the purposes of this condition and which are addressed to it or to a category of Electricity Suppliers of which it is a member.

44.11 A direction issued by the Authority may, in particular, specify:

- (a) the format of the Roll-out Plan and the Progress Report;
- (b) the form and manner in which the Annual Milestones need to be included in the Roll-out Plan;
- (c) the Information the licensee must include in the Progress Report, which may, where the licensee is required to provide a roll-out report to the Secretary of State under standard condition 43, include such parts of the roll-out report as are specified in the direction;
- (d) requirements in relation to the submission of the Roll-out Plan and Progress Reports to the Authority; and
- (e) the manner and method by which any specified Information from the Roll-out Plan and any Progress Report must be published by the licensee.

### **Information Request**

44.12 Where the licensee receives a request for Information from the Authority for the purposes of this condition (an **Information Request**), it must provide that Information to the Authority within the time and in the form requested.

44.13 An Information Request issued by the Authority may in particular specify the type and nature of Information to be provided by the licensee, including in particular in respect of:

- (a) the readiness of the licensee to comply with any Relevant SMS Condition; and

- (b) the steps taken or to be taken by the licensee to install, arrange for the installation of, or provide (as the case may be) Smart Metering Systems, In-Home Displays and Relevant Electricity Meters in accordance with the requirements of any Relevant SMS Condition.

44.14 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

44.15 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

44.16 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 39.1 of standard condition 39 of this licence.

### **Interpretation**

44.17 In this condition:

#### **Annual Milestone**

means a percentage of the total number of Domestic Premises and Designated Premises:

- (a) in respect of which the licensee is the Relevant Electricity Supplier; and
- (b) at which a Smart Metering System or Relevant Electricity Meter is to be installed by the end of each calendar year falling within the period specified in a direction issued by the Authority under paragraph 44.3.

#### **Progress Report**

means a report submitted in accordance with paragraph 44.8.

#### **Relevant Electricity Meter**

means any Electricity Meter installed or arranged to be installed by the licensee pursuant

to paragraphs 39.8, 39.9 or 39.10 of standard condition 39 of this licence.

**Relevant SMS Condition**

means any condition of this licence which imposes obligations or contains provisions in respect of any matter relating to the provision, installation, operation, maintenance or use of a Smart Metering System or an In-Home Display.

**Roll-out Plan**

means a plan submitted in accordance with paragraph 44.3, as it may be revised in accordance with paragraph 44.6.

# Annex F: Gas Transporter and Electricity Distribution licences

## Gas Transporter Licence

### Condition 26. Smart Metering Systems and Provision of Information to the Secretary of State

#### Introduction

26.1 This condition provides for the Secretary of State to be able to obtain from the licensee information, as relating to the licensee's activities or otherwise available to or held by the licensee, in respect of matters relating to the provision, installation, operation, maintenance, and use of meters.

#### Purposes

26.2 The purposes of this condition are to ensure that the Secretary of State may obtain such Information as he may reasonably require to enable him, from time to time, to:

- (a) keep under review matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems;
- (b) identify and evaluate the costs associated with, and benefits attributable to, the provision, installation, operation, maintenance and use of Smart Metering Systems, including in particular costs savings and improvements in services resulting from changes made to energy industry activities and procedures;
- (c) decide whether or when there may be a need for him to exercise any of his powers under:
  - (i) the conditions of this licence which impose obligations or contain provisions in relation to Smart Metering Systems; or
  - (ii) section 88 of the Energy Act 2008; and
- (d) publish information in respect of the matters set out in paragraphs (a) - (c) above.

#### Information Request

- 26.3 The Secretary of State may, for the purposes of this condition, from time to time issue a request for Information to be provided to him (an **Information Request**).
- 26.4 An Information Request (or any part of it) may be addressed to the licensee alone, to all Gas Transporters or to a category of Gas Transporters.
- 26.5 An Information Request may in particular specify:
- (a) the type and nature of Information to be provided;
  - (b) that the Information is to be accompanied by such supporting documents or data as may be described;
  - (c) that all or some of the specified Information shall continue to be provided at the intervals specified until such date as is specified or until the Secretary of State issues a subsequent Information Request to the licensee or to the category of Gas Transporters of which it is a member; and
  - (d) the form and manner in which, and the date by which, the specified Information is to be provided.
- 26.6 The licensee must comply with an Information Request addressed to it or to a category of Gas Transporters of which it is a member.
- 26.7 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.
- 26.8 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

- 26.9 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 33.1 of standard condition 33 of the Standard Conditions for Gas Supply Licences.

### **Interpretation and Definitions**

- 26.10 In this condition:

**Information**

includes information (other than information subject to legal privilege) in any form or medium and of any description specified by the Secretary of State and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Secretary of State.



## Electricity Distribution Licence

### Condition 6A. Smart Metering Systems and Provision of Information to the Secretary of State

#### Introduction

6A.1 This condition provides for the Secretary of State to be able to obtain from the licensee information, as relating to the licensee's activities or otherwise available to or held by the licensee, in respect of matters relating to the provision, installation, operation, maintenance, and use of meters.

#### Purposes

6A.2 The purposes of this condition are to ensure that the Secretary of State may obtain such Information as he may reasonably require to enable him, from time to time, to:

- (a) keep under review matters relating to the provision, installation, operation, maintenance and use of Smart Metering Systems;
- (b) identify and evaluate the costs associated with, and benefits attributable to, the provision, installation, operation, maintenance and use of Smart Metering Systems, including in particular costs savings and improvements in services resulting from changes made to energy industry activities and procedures;
- (c) decide whether or when there may be a need for him to exercise any of his powers under:
  - (i) the conditions of this licence which impose obligations or contain provisions in relation to Smart Metering Systems; or
  - (ii) section 88 of the Energy Act 2008; and
- (d) publish information in respect of the matters set out in paragraphs (a) - (c) above.

#### Information Request

6A.3 The Secretary of State may, for the purposes of this condition, from time to time issue a request for Information to be provided to him (an **Information Request**).

6A.4 An Information Request (or any part of it) may be addressed to the licensee alone, to all Electricity Distributors or to a category of Electricity Distributors.

6A.5 An Information Request may in particular specify:

- (a) the type and nature of Information to be provided;
- (b) that the Information is to be accompanied by such supporting documents or data as may be described;
- (c) that all or some of the specified Information shall continue to be provided at the intervals specified until such date as is specified or until the Secretary of State issues a subsequent Information Request to the licensee or to the category of Electricity Distributors of which it is a member; and
- (d) the form and manner in which, and the date by which, the specified Information is to be provided.

6A.6 The licensee must comply with an Information Request addressed to it or to a category of Electricity Distributors of which it is a member.

6A.7 The licensee must ensure that the Information it provides in response to an Information Request is complete and accurate.

6A.8 The licensee is not required under this condition to provide any Information which it could not be compelled to produce or give in evidence in civil proceedings before a court.

### **Cessation**

6A.9 This condition shall cease to apply to the licensee from the date which is 12 months after the date specified in paragraph 39.1 of standard condition 39 of the Standard Conditions for Electricity Supply Licences.

### **Interpretation and Definitions**

6A.10 In this condition:

#### **Information**

includes information (other than information subject to legal privilege) in any form or medium and of any description specified by the Secretary of State and includes any documents, accounts, estimates, returns, records or reports and data of any kind, whether or not prepared specifically at the request of the Secretary of

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