

Appendix 1 – Consumer Engagement

ICoSS response to consultation on the consumer engagement strategy supporting the smart meter rollout.

ICoSS is pleased to have the opportunity to respond on the Smart Metering Rollout – in this instance specifically regarding the consumer engagement strategy.

ICoSS members are exclusively engaged in the I&C sector of the energy supply market. Typically many of their non-domestic customers have already been actively engaged by ICoSS members prior to the smart metering programme in implementation of advanced metering solutions, utilising the enhanced functionality such meters provide or have procured a service directly from an AMR Service Provider or ESCO.

We are encouraged by DECC's willingness to include all shippers and suppliers in consultation on the consumer engagement programme roll out but would recommend that active participation in customer engagement of smart metering from the retail side is limited only to shippers and suppliers who have a natural incentive in the form of significant domestic portfolios and who, to date, have not been actively engaging with their customers with regard to the benefits of smart metering.

We note that in the I&C market the competitive nature of the market means that the supplier is not always the natural provider of these services. Indeed our members report that over 50% of all AMR units are contracted outside of the supply contract.

Members fear that requiring I&C suppliers to publicise smart metering products at the same time as other, overlapping advanced metering services would only serve to confuse customers and potentially damage current commercial programmes, slowing down overall rollout of the Business Smart solution, distorting the competitive market and reducing consumer confidence.

ICoSS therefore recommends that the licence conditions are not implemented or implemented only to shippers/suppliers with domestic portfolios. More generally we believe that consumer engagement is best met by those organisations that will have mandated domestic rollout targets, as they will have a natural incentive to sell the programme to their customers and are likely to be able to bear the costs which may otherwise be disproportionately high for smaller suppliers.



Additionally, ICoSS members feel that for any of the member companies to bear the cost of any form of consumer engagement would be unbalanced and disproportionate in consideration of the lack of applicability that smart metering has on ICoSS members' supply portfolios

In response to the questions posed ICoSS has provided answers on those pertinent to the sector in which it operates found in chapter 5:

Q 32: "What are your Views on the state of the energy market for non-domestic consumers and its future development?"

ICoSS sees that the energy services market that operates in the I&C sector has already evolved to meet the majority of the demands of the customers in the sector and is continuing to improve its flexibility to meet the challenges created by the change of supplier process. These products are tailored to the individual customer needs and recognise a wide diversity of requirements. It will be extremely difficult to create a homogenous message aimed solely at non-domestic customers.

Q 33: "Do you agree that the information on current smart and advanced metering would be useful to non-domestic customers in the short term? Is there other information that could usefully be provided at the same time?"

We are doubtful that information on smart metering could be useful to non-domestic customers as we highlighted earlier; meaningful information applied to the wide range of non-domestic customer would be impossible to produce. Information regarding smart metering is at best redundant and ultimately could be confusing as the customer will have received alternative and potentially conflicting information regarding AMR-based services from the supplier.

Q 35: "Should the central delivery arrangements proposed in Chapter 4 extend to microbusinesses? What are your views on any centralized activities focussing on micro businesses alone?"

We do not feel that in consideration of the myriad of specific requirements found in the microbusiness sector that any centrally arranged delivery is a feasible option.

Q 36: "What changes might be required to the licence conditions at Appendix 2 to address the needs of the non-domestic sector?"

ICoSS does not see the need for any licence changes for the reasons described above.

In addition we note that the competitive nature of the I&C AMR(Advanced) and smart market means that consumers are able to access competitive services and as such any obligations on I&C suppliers will put those suppliers at risk of accusation of anti-competitive practice. ICoSS would welcome assurances from DECC that it will ensure that I&C suppliers are exempted from

any such obligations or provide an indemnity to I&C suppliers to ensure they are protected from the costs of legal action.

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