

- 1. Are these the right aims and objectives (paragraphs 2.12 – 2.13) against which to evaluate the Government’s consumer engagement strategy for smart metering? Please explain your views.**

It is important that the consumer engagement strategy is carefully considered and as such the aims and objectives detailed in paragraphs 2.12-2.13 seem to hit the right chord. One aspect that is worth highlighting is the need to distinguish between domestic and non-domestic customers as behaviours and driving factors will be inherently different between these two sectors. Furthermore, we welcome the realisation that smart metering is a small part of the wider energy market picture and investigating ways in which consumer engagement can influence the uptake of other government incentives.

- 2. What are your views on focusing on direct feedback, indirect feedback, advice and guidance and motivational campaigns as behaviour change tools? What other levers for behaviour change should we consider?**

Each of the strategies introduced potentially have the ability to alter customers’ behaviour and in turn reduce their energy consumption. The key to changing consumer behaviour is to create a desire to change, and without financial incentives it is unlikely that consumers (especially non-domestic) will change their consumption habits. This opinion is based on our experience with AMR metering where a number of customers have approached us directly to install AMR. The main driver behind these installations has not been to achieve energy efficiency, but has been down to the customers desire to receive accurate and timely bills with relatively few customers requesting access to the online energy management systems provided by the metering. A major barrier to overcome is the lack of association of energy use with the bill and smart meters will help to facilitate this.

- 7. Do you think that suppliers should be obliged through licence conditions to establish and fund a Central Delivery Body or would a voluntary approach be preferable?**

We agree that for the success of the SMIP it is essential that customers, particularly domestic, are successfully engaged and using a Central Delivery Body would seem the logical solution as this will ensure that messages are consistent across all suppliers. This, however, will have to be carefully controlled so the cost incurred by the larger suppliers in setting the Central Delivery Body cannot be passed through to the customer. We support a voluntary approach; this will ensure that any Central Delivery Body is properly focussed on those tasks where central delivery can add value. Any mandatory approach risks inefficiency and a licence condition should be seen as a last resort option, since we believe that most suppliers would willingly support this initiative.

- 17. What role should smaller suppliers have, if any, in setting up a delivery mechanism for central engagement? What should the ongoing relationship between small suppliers and the central delivery mechanism be?**

Smaller suppliers’ experience of consumer engagement in many ways is greater than that of the bigger suppliers. By their very nature small suppliers have to interact with the consumer to move them away from the safety and security of one of the big six. With this in mind we believe that the smaller suppliers, particularly those in the domestic sector, may have a lot to offer to both the set up and the ongoing running of the CDB. It is important that non-domestic suppliers are kept

informed of CDB activities, so that the overall message for all consumers in relation to the SMIP is consistent.

It is vital to recognise however that smaller suppliers have very limited resources compared to the Big 6 suppliers and are unlikely to be able to commit resource on a level that would maximise the value of this experience. Equally this sort of experience is a source of competitive advantage and it would not be reasonable to require smaller suppliers to make anything other than peripheral input to the process.

**32. What are your views on the state of the energy services market for non-domestic consumers and its future development?**

The energy services market in the non-domestic sector is significantly advanced with a number of DC/DA offering internet based energy management software to customers with AMR installed. As this is many of the agents' main service, significant investment has been made to improve the services and offer new and innovative products. New innovation has also sparked other agents to update and improve their own systems to bring them up to speed with the current market offerings. There are a number of larger companies providing energy management services, often alongside other business services particularly amongst groups.

**33. Do you agree that 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?**

In the first instance, we believe that providing customers with information and advice would be a good thing. Currently we can offer all potential customers the opportunity to have AMR installed, to which the uptake is fairly limited often because electricity is only of incidental interest to smaller businesses. As stated earlier in our response, where the customer does choose to have AMRs installed the main driving factor is regular and accurate billing, neither of which will drive the energy/carbon savings that are required for the SMIP to be deemed a success. These savings can be facilitated by smart metering but customers need to want to save.

**34. Should the central delivery arrangements proposed in Chapter 4 extend to micro-businesses? What are your views on any centralised activities focussing on micro-businesses alone?**

The characteristics of the business and domestic sectors are very different even at micro business level. In our experience micro businesses resent being treated as domestic and are unlikely to respond to communication unless it is specific to their segment (within micro business). As a consequence we do not believe that the central delivery arrangements are appropriate for micro businesses.