

Smart Metering Implementation Programme – Roll-out Team
Department of Energy & Climate Change
3 Whitehall Place
London
SW1A 2AW

13 October 2011

Dear Sir,

Re: SMIP: A call for evidence on privacy and data access (August 2011)

Thank you for the opportunity to respond to the DECC call for evidence on privacy and data access relating to the Smart Metering Implementation Programme. Northern Gas Networks Ltd (NGN) operates as the Gas Transporter (GT) for the north of England and Yorkshire with approximately 2.4million domestic and small industrial and commercial businesses connected to 37,000km of pipeline. In addition to core activities, NGN also enters into commercial contracts with suppliers and Independent Gas Transporters (iGTs) who connect to our network for Post Emergency Metering Services (PEMS).

It is in the capacity of GT and provider of some commercial contracts that this response is made, and therefore NGN has only answered the questions directly relevant to its business model. Responses to the relevant individual questions are attached. NGN has not included specific responses to questions relating to consumer concerns and supplier activities.

NGN agrees that the potential information available as a result of smart metering can have some positive impacts on market participants including gas distribution networks (GDNs). The extent to which individual meter point information is required by GTs is as yet unclear, however, data can be used for network planning for both peak consumption for winter planning and low flow data which can be used when carrying out viability analysis for bio-methane entry into a low pressure network.

I hope you find these comments useful and please contact me should you require further information.

[Redacted]

[Redacted]

[Redacted]

Questions

Network Companies

13. Do you consider that use of data by network companies to support them in maintaining an efficient and economic network should be considered a regulated duty?

Currently GTs have obligations through both Uniform Network Code (UNC) and Licence to provide demand estimation information that is used for allocation of on-the-day energy for all supply points and final settlement in the Smaller Supply Point (SSP) market. In order to ensure that demand estimation is modelled appropriately the GTs have rights and obligations relating to obtaining daily data from a sample of non-daily metered (NDM) supply points which are fitted with appropriate data capture devices.

The current data set causes some operational issues when sites drop out of the existing sample set so that GTs are required to monitor and replace daily data-logger equipment on an ongoing basis. As this data forms the basis for energy allocation for all supply points and is a requirement of the UNC and GT Licence, it is important that this is maintained through the transition into smart metering.

It would be both efficient and economic for GDNs to be able to obtain and use data from smart meters in place of the current data set as smart metering equipment rolls out through the country. As the samples are required to be spread both geographically and in varied consumption bands it may be some time until there is a suitable population of smart meters to enable the current arrangements to be replaced. It is important for the sample to be statistically sound and while GDNs are able to use procured data within the terms of the UNC this cannot be relied upon until there is a considerable population of smart metering equipment from which to obtain a statistically sound sample.

GTs have obligations to plan and build their network to meet the peak 1 in 20 demand and it is by use of detailed network modelling that this obligation is monitored and new works planned. This maximum demand is defined as *“the maximum demand that will occur, on average, in not more than 1 winter out of 20 years. It is an average in any period of 6 minutes, expressed as an hourly rate”*. The network planning and validation models currently use data from existing supply points such as Annual Quantity (AQ) and daily Supply Offtake Quantity (SOQ) together with other econometric data to model future demand. The ability of smart meters to capture more frequent data about consumption could allow GDNs to verify and improve existing modelling techniques for considering future peak demand. The extent to which this will make a material difference in model outputs cannot be assessed until tested.

As a result of the drive for greener energy sources there has been a significant interest in enabling bio-methane and other sources of gas to enter the supply chain directly into distribution networks rather than through the National Transmission System (NTS). These sources of gas are usually subject to locational production constraints meaning that they often are not located in an area of the distribution network where the pressure is suitable for flowing directly entered gas during low demand periods without significant capital expenditure. As part of the analysis carried out for new DN entry points, the low flow demand needs to be considered. GDN obligations have historically been related only to peak demand and as a result detailed low demand data is not specifically captured. The roll-out of smart metering should mean that GDNs may be able to capture and model demand data specifically for this purpose.

As smart metering data will enable these activities to continue to evolve, access to this data for use in regulated duties is essential.

14. Do you agree with the requirement for such data to be anonymised or aggregated wherever possible, and how should this be monitored?

Currently all sample data is collected at individual supply point, but personal details are not required about the consumer. To the extent that aggregate data is currently utilised, the aggregation is often carried out by Xoserve in its capacity as the GT Agent, although individual supply point data for AQs and SOQs are utilised locally within NGN for network planning purposes.

It is probably that most GDN requirements for utilising detailed smart metering data can be carried out at an aggregated level. In order to ensure that aggregated data fit for its individual purpose it will be essential that the levels of aggregation can be variable and specified by the GDN. The most straightforward way of ensuring that data aggregation is at the correct level is by allowing GDNs to obtain the data directly and carry out the appropriate aggregation. Use of data by GDNs is covered by the Data Protection Act and is therefore adequately secured through internal procedure.

As part of Ofgem's RIIO-GD1 consultations, the extent to which GDNs use smart metering data for modelling purposes related to the Leakage Model was considered. If data is not available at the most appropriate level of granularity any benefits relating to this would not be able to be realised. As the roll-out of smart meters will take considerable time and geographic density of coverage of smart meters will impact on the usefulness of data, Ofgem proposed in their March Strategy document¹ that they were minded to place an obligation on GDNs to report on a biannual basis on the use and availability of smart metering data relating to the Leakage Model. There is no reason that this type of biannual statement could not cover all uses of smart metering data as additional assurance that data is being used appropriately by GDNs.

15. Would suppliers be expected to advise consumers of network company usage of data given network companies do not have a direct relationship with customers?

Currently, where GDNs have equipment at a consumer's premise to capture consumption data for the NDM sample shippers have an obligation (UNC TPD Section 1.6.9) to co-operate with the Transporter to enable access to the consumer's premise. This co-operation is usually achieved by the registered supplier communicating with consumers about the use of the data for regulated duties.

As the roll-out of smart meters and the communications framework will reduce the necessity for direct access to consumer premises for obtaining this data NGN believes that consumers should be made aware of the type of data that various parties will be entitled to obtain under the SEC.

¹ <http://www.ofgem.gov.uk/Networks/GasDistr/RIIO-GD1/ConRes/Documents1/GD1decisionoutput.pdf>