

Response to Smart Meters Programme Strategy and Consultation on Information Requirements for Monitoring and Evaluation

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Abstract

Specific responses to the consultation are given in the text below. This general response is written under the premise that the warnings sounded on risks due to logistical challenges [4] and on potentially rethinking the approach if the programme is not delivering for consumers [1], are to be taken seriously. General comments by the author on the overall strategy are available elsewhere [2].

With regard to the scope and geographical granularity of the information to be provided by suppliers, it could be useful to assess the learning rates of both ‘up-skilled’ and ‘trainee’ meter installers. Benchmarking, with allowances for access rates and other significant variables, would at least let the taxpayer know whether the programme is delivering in the least costly and most efficient manner.

Response to consultation questions

The responses below are based upon an extensive literature review, interviews with smart meter stakeholders, and mathematical programming models

developed by the author [3]. As with any model, certain caveats remain yet general insights are thought pertinent to this consultation.

1. Do the licence conditions as drafted, deliver the set 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?
 - No comment.
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?
 - No comment.
3. What are your views on this proposed approach to the scope, frequency and timing of the content of Information Requests?
 - No comment.
4. Do you have any comments on the proposed framework for the provision of suppliers plans and reporting information to Ofgem? Are there any alternative approaches that might better achieve the aims of the framework?
 - No comment.
5. Do you have any comments on the appropriate format of, and interval between, the interim milestones?
 - No comment.
6. Do you have any comments on which elements of the above approach would be appropriate for smaller suppliers?

- No comment.

7. Do the licence conditions as drafted effectively implement the proposed framework described in this section?

- No comment.

8. What are your views on the options for different geographical granularity of data collection for: Monitoring the roll-out of smart meters, Tracking the impact of smart meters on consumers energy use for a sample of consumers, Understanding the benefits and costs incurred?

- Geographical aggregation of data collected towards effective monitoring may miss the point. Given that each set of meter operatives will move down their own separate 'learning curve', it could be useful to report data for the first 100 installations by a set of operatives at the scale of a street (or at least within a lower level super output area). It can be expected that those operatives who are upskilling will display improved efficiency in comparison with the new trainees.
- With allowances for stochastic variables, such as access rates to properties and average travel time between properties, a suitable benchmark for the entire installation process could be provided. Based on discussions with relevant stakeholders and after searching the literature, it appears that the performance of installers against cumulative numbers of installations is not measured at least in the public domain. Conversations with those involved in initial trials of smart meter installations indicate that initial dual fuel installations can take up to four hours, reducing in time with each successive installation towards the average times seen

for traditional low pressure gas and single phase electric meters (e.g. 20-30 and 20 minutes each respectively).

- If the National Skill Academies' estimates are correct [5], with over 4,000 extra staff required to be trained up, there is the potential for inefficient delivery of the rollout if the learning curves of sets of meter operatives are not evaluated on an ongoing basis.
9. What are your views on this approach to the publication of aggregated and supplier specific information?
 - No comment.
 10. What are your views on the assumptions about the cost burden on suppliers of collecting and reporting on these data and information requirements? What could DECC do to minimise costs further?
 - No comment.
 11. What are your views on the information that large domestic suppliers should provide to Government on an annual basis?
 - No comment.
 12. What are your views on the information that suppliers should provide to the Government on a regular reporting cycle?
 - The performance of the meter operatives installing smart meters should be provided to the Government, particularly in the earlier stages of the full rollout.
 - The performance of the operative could be measured in terms of hours per installation against cumulative installations. Data required to be provided from suppliers could be: the time per installation (including travel time, meter replacement, setting-up

the HAN and WAN, and engaging the customer) for the first 100 installations for each set of meter operatives. The data could be provided on a street-by-street basis, and details given on the experience level of the operative prior to the installations. Appropriate statistical controls should be in place if this data is sought by the Government.

References

- [1] Committee of Public Accounts. *Preparations for the roll-out of smart meters: Sixty-third Report of Session 2010-12*. House of Commons, 2012.
- [2] M. G. Jennings. A smarter plan? A policy comparison between Great Britain and Ireland's deployment strategies for new technology rollouts. (*In preparation*), 2012.
- [3] M. G. Jennings and N. Shah. Optimizing the planning of an utility industry technology rollout with learning effects and stochastics. (*In preparation*), 2012.
- [4] National Audit Office. *Preparations for the roll-out of smart meters*. Report by the Comptroller and Auditor General, 2011.
- [5] The National Skills Academy. Metering Network. Technical report. URL <http://www.power.nsacademy.co.uk/our-networks/metering-network>.