

ESTA RESPONSE TO:



SMIP: Licence Conditions for a Code of Practice for the installation of smart electricity and gas meters; a consultation DECC

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ESTA Energy Services and Technology Association

ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members cover Energy Consultants, meter, AMR and controls manufacturers through to full Energy Services/Contract Energy Management.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Services Directive and the roll-out of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues which we respect as expressing their own definitive view.

SMIP: Licence Conditions for a Code of Practice for the installation of smart electricity and gas meters; a consultation

Responses covering specific questions as laid out in the consultation.

1. Are the overall objectives set out in the draft licence conditions appropriate?

We refer to the overall objectives of a Code of Practice as laid out in Section 4 rather than the licence conditions themselves.

A customers reasonable expectations (transparency, fair, appropriate and professional) would be:

- to know how much the smart meter costs.
- to know what he can do if he subsequently decides he does not like the SM, or wants a different one, or a different IHD, and what the cost implications are.
- to know what happens if he wants to change the supplier of the SM (and his energy) and when or if he might be charged twice because of interoperability issues.
- he should be made aware that the meter contains a contactor, which could be used to switch him to debit mode if he defaults on payment
- to know what he can do to appoint and empower a 3rd party energy services provider.
- he should have the right to refuse installation up until the last date of mandate, so that he might assess how others are using and benefitting from it.

2. Would the licence conditions as drafted effectively underpin:

a) the intended roles of Ofgem and suppliers in establishing and reviewing Code(s) of practice for domestic and micro-business sites?

b) an appropriate ongoing governance regime for the Code(s) of Practice?

c) the intended arrangements for monitoring and compliance with Code(s)?

Since the customer has no choice about his Smart Meter other than from a licensed supplier, then there should be provision for him to challenge what he has been given against what might be available in the free market, not just from another licensed supplier. The Regulator must have powers to ensure the mandated solution remains as innovative.

3. Should the licence conditions underpinning a domestic Code also be applied to smart-type meters, or should the Government work with suppliers to secure voluntary application of Code provisions?

These MUST comply, just as final smart meters must. Early adopters were aware of the risks of their equipment not complying against the potential benefits of setting the standards for them. All meters that do not comply should be replaced at no cost to the consumer. The consumer would likely to be legally entitled to claim if this were not done.

4. Would the licence conditions as drafted effectively underpin the policy intention that the costs of the installation of smart meter systems should be reflected over time in customer's energy bills, with no upfront or one-off charges?

Agree that Smart Meter charges should be distributed across bills over usage period, but do not see making the the actual cost clear is mandated. If it is £100 per year, then this should be made clear. Also a clear cross-subsidy arrangement should be in place for supplier switching - i.e. if one supplier is able to provide a SM for £50 a year. Suppliers should not be allowed to agree between themselves what the standard SM cost will be, it's up to them to come up with the best cost as part of their service provision to the customer.

4. Do you agree with our definitions of sales and marketing?

Sales and marketing activities should be kept separate from the installation visit, so as not to fall into individual interpretation.

5. Do you agree that prior written consent should be required for any face-to-face marketing or sales activity during the installation visit?

The installation visit should be limited to the demonstration of the installed equipment and an accompanying document outlining the advantages of better energy management via market participants made available.

This consumer leaflet which should be designed in conjunction with consumer groups and relevant stakeholders should be provided at the time of installation outlining options and avenues available to consumers to access market products and services. As outlined in 2.4(c) in the consultation.

This would be in keeping with current EU proposals, suggesting Government should progress a fair, transparent and level playing field and promote the energy services sector in an appropriate manner.

If however, written consent is gained beforehand to outline services and products in a face-to-face visit, then it should be seen as a sales and marketing visit in addition to the installation visit with a letter explaining such to the customer and no

restrictions should be placed on those activities, other than for consumer protection and to guard against mis-selling practices.

Clear boundaries should be established between an installation and a sales/marketing visit. This establishes written consent for marketing activities, provides the consumer with the control and avoids confusion regarding restrictions placed on such.

6. Are any other measures required to protect consumers' interests in relation to sales and marketing during the installation visit

See responses to questions 4,5.

7. Would the licence conditions as drafted and/or existing rules deliver the policy intentions on customer information and advice, vulnerable consumers, avoiding undue inconvenience and complaint-handling?

Information for consumers surrounding these aspects can be covered in a smart meter rollout booklet incorporated with the document outlined in response to question 5.

8. Do you agree that, for the purposes of the non-domestic code, the sites to be covered should be defined as a business with no more than 10 employees or their full-time equivalent, an annual turnover that does not exceed €2 million, or consumes less than 50MWh of electricity a year or less than 200MWh of gas a year?

Agree that this should be the basis for the purpose of the non-domestic code, where an isolated business has sites with less than the detail above.

9. Would the licence conditions as drafted effectively underpin the policy intentions with respect to non-domestic consumers on customer information and advice and undue inconvenience?

As stated, it is imperative that a fair, transparent and level playing field is maintained for the promotion of energy services and efficiency advice to non-domestic consumers. ESTA would be happy to assist Government in providing guidance in this regard as the Energy Services and Technology Association for the business energy community.
