

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

03 November 2011

Dear Sirs

Licence conditions for a Code of Practice for the installation of smart electricity and gas meters consultation

Thank you for the invitation to respond to the above consultation. As you are aware, Good Energy is a unique small electricity and gas supplier, as we only supply customers with 100% certified renewable electricity, and gas which supports renewable heat. It is our mission to provide a blueprint for the UK to transform itself to a low carbon, 100% renewable economy through the work that we do and the actions of our customers and renewable generators.

For your ease we have responded to the questions asked, expanding where necessary.

Q1. Are the overall objectives set out in the draft licence conditions appropriate?

We agree that the objectives listed are appropriate and we agree on the call for a code of practice that guides the UK smart meter roll out programme. Our overriding concern is that licence conditions will be difficult for smaller suppliers to absorb, monitor and implement. This factor is coupled to the position that metering businesses are not regulated, however for a small supplier they will see the metering businesses as the face of the smart meter roll out.

It is our suggestion that metering agencies should be required to acquire a smart meter installation certification (based on the requirements of the CoP) and the licence condition upon suppliers is to require them to only use installers with this certification.

Meter business certification not only provides help for smaller suppliers to enforce the code, it would also provide the consumers' confidence that all parties involved with the smart meter roll out are signed up (directly) to a code/certification – especially those that will be the face of the installation process to the consumer.

The need to audit all activities of metering agencies (including recruitment and education) will be new to supply companies – these are unnecessary obligations and costs.

Q2. 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 on-going governance regime for the Code(s) of Practice?

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

The licence conditions do underpin the intended roles of Ofgem and suppliers in establishing the Code (s). We should be mindful that some smaller suppliers will find difficulty in committing relevant resource to develop the Code(s); as a result of this there will be Code(s) that will be greatly influenced by the larger energy businesses. These larger energy suppliers are vertically integrated to metering businesses so may be looking to develop Code(s) that better suit these relationships – unlike smaller suppliers.

We would also be concerned with the level of on-going governance, monitoring and auditing that may become obligated upon small suppliers. As we have stated on the previous questions the

increased auditing and monitoring that will be obligated upon smaller suppliers will be a costly new activity. Our concern is that the level of auditing will become burdensome upon smaller suppliers.

Q3. 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?

Any application of licence condition upon smart-type meter installation needs to be made with consideration for the scale and type of rollout that a supplier has adopted. If a supplier has adopted an aggressive early rollout programme then this activity should carry a licence condition to ensure a high quality service for the consumer. However if a supplier is merely trialling low volumes of smart-type meters for understanding and training purposes then we would say that this activity does not warrant licence conditions to adopt the SMICoP.

The cost and resource required to implement the Code(s) while only trialling low volumes of smart-type meters will make trialling exercises prohibitive.

Q4. 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?

We agree that the proposed licence condition underpins the policy intention.

Q4b. Do you agree with our definitions of sales and marketing?

We agree that sales and marketing are two separate activities and the subsequent definitions provided by this consultation.

We would also agree that many consumers would not be able to make a distinction between sales and marketing activities and likely consider them one of the same.

Q5. Do you agree that prior written consent should be required for any face-to-face marketing or sales activity during the installation visit?

Prior written consent to engage with face to face sales or marketing activities is a vital facet of the smart meter roll out programme. Our primary view is that the installation visit should actually be quick and efficient; there should be no marketing or sales activity taking place during the rollout. A strict black and white ruling in this area will help to remove any risk of miss-selling or hard sell activity from installation engineers that may have commissioned based incentives and sales targets to hit.

Q6. Are any other measures required to protect consumers' interests in relation to sales and marketing during the installation visit

We would like to see "pre-visit" activity under greater scrutiny rather than allowing suppliers free reign to market and sell through either written marketing material or pre visit phone calls to the consumers. Without the correct checks in place we may find a situation where consumers are convinced that they require face to face marketing activity during the installation by teams within supply businesses who are incentivised to set up as many sales leads as possible for the installation teams.

We do not agree that this activity can go unchecked and it is in the consumers best interest that protections are found here.

Q7. 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?

Existing rules and directives on how suppliers handle vulnerable customers, complaints and customer inconvenience are seen as sufficient. We agree with the Government position that bespoke rules in these sectors to cover smart metering are not necessary.

Q8. 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?

We are in agreement with the proposed maximum threshold limits for what is considered a micro-business and, therefore part of a Code(s) for smaller non domestic sites.

It is also desirable that a clear understanding and distinction is made on a threshold when "working from home businesses" (for example) are no longer under domestic Code(s) and subsequently part of a small non domestic code(s). We have already encountered issues in commercial interoperability where consumers who manage a home business move in to properties with smart type meters in place and there are no protections in place for these (essentially) domestic home owners. We would want to see these parties receive the correct protections.

Q9. 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?

We agree that the proposed licence condition underpins the policy intention.

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]