From a consumer perspective this would mean a separate IHD, smart meter, home area network and wide area network have been installed which a) comply with the agreed minimum standards[9] and b) are fully operational. This should be done in a way so the customer is able to access all the intended benefits of the minimum functionality. For example:

- Can the customer receive accurate bills? Consumer Direct data and experiences from overseas highlight that some customers are continuing to receive estimate bills for one or more fuels many months after the installation of their smart meter.
- Can the customer access real-time or near real-time information on their display or 13 months data from the meter?
- Have any minimum standards under the proposed SMICOP also have been met, including for advice and support prior, during and post installation of the meter?
- Has the IHD been not only installed, but left fully operational and ready to use?
- Ofgem might also consider if there need to be some standards around reliability of the technology being installed, before an installation is deemed to be complete. For example, if the in-home communications technology only works intermittently, is the installation considered complete? There is no point in an installation being deemed complete if it is not properly operational.

5) Do you have any comments on the appropriate format of, and interval between, the interim milestones?

As stated elsewhere, from a customer point of view, the roll-out has already started. We seek reassurance that Ofgem will begin monitoring activities as soon as possible, rather than only looking at 'readiness for roll-out' and monitoring post DCC. We also seek clarity on what action the Regulator will take if they identify that one supplier is providing much better customer benefits than another.

It could be argued that variations in customer service are an acceptable consequence of the competitive market where energy companies seek to differentiate themselves to compete for new customers. However, given that this is a mandatory Government programme, and that all customers are paying for it – it is essential that all customers are able to have equal access to the benefits. It is also unlikely that most customers will shop around for a better smart meter installation, given that the vast majority are expected to be supplier initiated. Will the Regulator or DECC consider it acceptable for customers with a certain supplier to receive a noticeably sub-standard service compared to others? What will they do to address this?

6) Do you have any comments on which elements of the above approach would be appropriate for smaller suppliers?

We support not putting an undue reporting burden on small suppliers. However:

a) given the disproportionately high number of complaints to Consumer Direct from small supplier's customers with advanced meters

b) the importance of early recipient experiences for wider consumer acceptance and engagement

---

[9] This is particularly important as many of the smart meters currently being installed do not meet the proposed minimum functionality.

c) the need for all customers regardless of their supplier to have a good-quality experience and to be able to access the benefits of smart metering; we believe that it is particularly important that smaller suppliers report on elements related to the customer experience and benefits realisation eg number of customers getting accurate bills for both fuels, provision of IHDs, energy efficiency information provided, energy savings delivered etc. 8.18 states that smaller suppliers would only be required to complete a 'tailored sub-set of the monitoring data'. We would be happy to work with DECC and Ofgem to explore what these sub-set could include.

As a general point, the 250,000 threshold will need to be kept under review as the energy market evolves eg if five or six smaller suppliers could each have 248, 000 customers, which would result in a significant number of households that are outside the formal monitoring regime.

It is difficult to provide a more detailed response to this question, as neither the consultation, nor Ofgem's Open Letter provide much detail about what will be included in the framework – we understand that Ofgem will consult on this in spring 2013.

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

As set out above, we consider that Ofgem will need access to data in order to monitor wider Licence Conditions; it is unclear if this is covered by the reference to 'any Relevant Condition' in YY 2a.

The fact that the same Licence Conditions cover provision of information to both DECC and Ofgem will necessitate a high level of co-ordination between the two bodies when issuing requests for further information, etc.

8) What are your views on the options for different 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.**

We recognise the challenges the Programme faces in balancing the need for consumer security and privacy with delivering the benefits of smart metering. We recommend that the Programme follows the principle of data minimisation when developing its policy in this area. We are not against data disclosure but believe that there should be a clear benefit to consumers, tax payers or Britain PLC where personal data is being shared. It would be helpful for DECC to define what it sees as the purpose of the different levels of detail, what this would be used for, and what benefits will be provided for consumers.

It will also be important to consider how the data collection will be perceived by consumers, whether it is likely to raise broader concerns about privacy issues related to smart metering, and how these concerns can be addressed. It is not clear from the consultation how consumers will give their consent for their energy data to be shared for these undefined alternative purposes, or indeed if they will be asked about this at all. It will be important to explore these issues fully.

We recognise there may be a value in using postcode data, particularly when it links up with and can facilitate the delivery of wider government initiatives to encourage behaviour change and deliver carbon and energy reduction. However, one challenge of using postcode level data will be that, in rural areas, it will be possible in some cases to indentify individual properties from a given postcode.

To address this, we recommend that the Programme follows the same procedure as the Office for National Statistics which, as we understand, has inbuilt protections where there are identifiable properties due to the scarcity of properties.

We also recognise that there will be issues about who will be given access to more detailed data. For example, we have concerns around the potential for bogus callers to target certain postcode areas, if it becomes public knowledge that smart meters are being installed in these areas. This could be particularly of concern given that, as we understand it, most suppliers are planning some degree of 'cold calling installations' eg notifying customers they will be in their area in the next month for an installation but turning up without an appointment time. This could facilitate doorstep mis-selling and the activities of con artists in general. We would welcome further discussions with the Programme to explore how these issues could best be addressed. We believe that that SMICOP as it stands is too weak in this area.

As a general principle we would support postcode or more detailed data where there is a clear benefit to consumers and appropriate safeguards are in place. Below we have included more detailed feedback on the different instances where suppliers will capture and report customer data.

Plans for smart meter installations

The Programme states in 10.13 that it is minded to continue to collect information about suppliers' forward plans at DNO level during the Foundation Stage. We do not support this as it will not enable sufficient detail to monitor the distributional impact of smart metering. As noted, up to six million meters could be installed pre DCC so rigorous monitoring needs to take place during Foundation. DECC is also likely to face criticism from MPs keen to understand the progress of roll-out in their constituencies. In addition, the CDB will no doubt require access to this information to accurately target community activities.

Potential uses of data

Some examples of how more detailed information in suppliers' forward plans could be used are as follows:

- Enable the CDB to inform local partners such as local authorities, police, Housing Partnerships, Neighbourhood Watch, and trusted third parties such as community and faith groups that smart meters are being rolled out in their area
- Sharing of information about suppliers' plans with broader stakeholders (ie beyond Government and the CDB); this could help facilitate competition in the energy services and smart homes market. For example, if an energy services company knows that a supplier is rolling out in a particular area, they may chose to focus their marketing activity in that area. This could help balance the competitive advantage suppliers have been handed in the energy services market
- Allow for the possibility of more co-ordinated approaches between the suppliers, and localised campaigns, in certain cases. For example, if several suppliers are planning to install smart meters in an area where they tend to have poor access rates, it would make sense to have some degree of co-ordination of consumer engagement activities and local outreach, as it would increase access rates and avoid duplication

Progress and impact of smart installations

We welcome that the Programme intends to report on the delivery of smart meters to different customer groups. This will be crucial to ensure a fair and transparent roll-out.

However, we consider that there is still some work to be done on identifying, and quantifying the impact of smart on vulnerable and low income consumers; while some of these will also use prepayment, this is not in itself a proxy for vulnerability.

If suppliers' plans are reported on at postcode level, these could be made available to the future CDB. Consumer Focus can see the following potential benefits of this:

- It will be vital in establishing areas where smart meter installations are facing particular problems eg certain property types, BME communities, rural communities, and where added benefit could be derived from a more coordinated approach. These could be indicated by a lack of installations (they may have been flagged as 'difficult' and being left until the end of roll-out), or a notable increase in refusals.
- Suppliers report particular challenges when gaining access in low income areas and have been slow to conduct trials with low income and vulnerable consumers. Lessons must be learnt from the Carbon Emissions Reduction Target (CERT), where suppliers' tendency to reach low hanging fruit led to concerns about inequitable distribution of benefits and public criticism. There may be lessons that could be learnt from CERT reporting and we recommend that DECC links up with Ofgem in this regard.
- It could facilitate reporting on benefits delivery for low income vulnerable customers. For example, post code data used as part of the Indices of Multiple Deprivation[10] in a geographical area, and the number of suppliers' Priority Services Register (PSR) customers that are expected to receive smart meters. This would help with Government reporting of the impact of smart metering on fuel poverty and ensure equity of roll-out.

Question 9) 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?

The aim of reporting should be to ensure:

- Maximum benefits are delivered to all consumers and Britain PLC
- Roll-out is cost effective and value for money
- Customers experiences are positive
- Potential negative impacts are minimised
- Transparency around the contribution of smart metering towards wider Government targets eg fuel poverty, carbon reduction
- Roll-out is <u>fair</u> – no one group of consumers is disadvantaged by roll-out or unable to access benefits

We welcome that Government will streamline its reporting requirements to avoid duplication. We recognise that reporting results in an additional cost burden for suppliers, however we fully support the proposed framework. Given the scale and importance of the Programme, and the costs involved, we consider that the framework is proportionate, and justified.

In terms of the cost burden, we consider that suppliers should be collecting much of this information (and more) as part of normal good practice and efficient operational processes. Therefore we don't believe it should be burdensome for suppliers to generate the reports.

---

[10] However, we understand that IMD are more effective indicators in an urban setting, and can mask deprivation in a rural setting. This highlights the importance of using postcodes in combination with multiple data sets, to gain as accurate a picture as possible of a given area.