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Smart Metering Implementation Programme
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Smart Metering Implementation Programme

Consultation on the consumer engagement strategy supporting the smart meter rollout.

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Summary

GEO strongly supports many of the aspects of the proposed strategy; however, we also have strong reservations about two key aspects. The first is that we do not agree that an objective of the Strategy (and therefore the Central Delivery Body) is to deliver energy savings: it is to deliver consumer engagement. We suggest that much of the focus of the proposed strategy is consequently focused around delivering energy savings at the expense of other key elements such as building early acceptance of smart metering so that the installation programme is smooth and effective.

The second aspect is the view that the CDB should be funded solely by the major suppliers. We would prefer to see something more aligned with an Industry Group where other stakeholders are able to contribute both financially and to the conduct of the Body. In doing this the risk that the body is not seen to be independent by either or both consumers and industry is markedly reduced.

We have also commented about the impact of the SMETS on the complexity of the IHD and its impact on consumer engagement. The IHD is a very visible cornerstone of the SMIP and yet its effectiveness is threatened by over specification and by suggestions that a “virtual” IHD could be used in place of a full IHD.

Detailed Comments

We have not commented on every question and the absence of comment should be read as broad support for the actions proposed.

Question 1

Are these the right aims and objectives against which to evaluate the Government’s consumer engagement strategy for smart metering?

This is a Consumer Engagement Strategy and yet the aim is to deliver energy savings, which in effect makes this an Energy Savings Strategy and the Central Delivery Body is to deliver energy savings. We don’t believe this is right or what is intended.

We suggest the main aims are to:

- deliver consumer support for the Smart Metering Implementation Programme
- maximise consumer benefits from the SMIP
- ensure that vulnerable and low income consumers are equally treated

Question 2

What are your views on focusing on direct feedback, indirect feedback, advice and guidance and motivational campaigns as behaviour change tools? What other levers for behaviour change should we consider?

We suggest there are three phases to consumer engagement: generating interest and support, ensuring a good delivery experience and then maintaining engagement. The elements identified focus on behavioural change which is relevant to the third stage. There needs to be recognition of the first and second elements and how to deliver this early stage engagement. Motivational campaigns have relevance but will be expensive (especially over such a long and non-regionally based roll-out) and therefore can only be a part of the solution. We suggest that PR is a major element for this phase along with development of codes of conduct.

One element that does concern us is with regard to IHDs. These are consumer products, not meters. As such they need to be designed to meet consumer needs rather than technical specifications. We are concerned

that the SMETS 1 IHD DDS over specifies the information that is to be supplied by a basic display and that combined with an aggressive cost target drives a complex and user-unfriendly device. It is strongly recommended that SMETS 2 seeks to simplify the requirements for the minimum spec IHD.

We have also heard of moves by Suppliers to offer a “virtual” IHD where the information is displayed on a “soft” or shared display such as a mobile phone, tablet, TV etc. We have a number of concerns that this will not deliver the level of consumer engagement required. In particular, these surround the blurring of the meaning of direct feedback to mean real-time feedback. We define “direct” feedback as where the user does not have to do anything to be able to see the information such as switching on the unit or calling up a specific app. Thus a direct display is always on like a clock on the wall. Why this is important is that many consumers are not that interested in energy and have to be prompted – out of sight is out of mind. So whilst “virtual” IHDs do supply real time information, they only do so *when active or asked by the consumer*. We suggest this is not real-time feedback as it is only real time when initiated by the consumer.

Our research has shown that direct feedback is a vital element of generating consumer engagement. For example, we have over 20,000 connected home systems rolled-out with ScottishPower, however, only 20% of users have ever connected to the web and less than 1% look at their information on line every week. We also provide a mobile phone app: only 5% have downloaded the app although those that have do make good use of it. This experience is similar to our experience in Sweden where people are buying our displays (so are interested users) and yet the web site usage figures are very similar. Thus, if the consumer was not provided with an IHD their engagement would be a fraction of those that do have an IHD.

This does not mean that soft displays do not have a role - we maintain they have a very strong role in supporting and deepening the level of engagement – but without the trigger of the IHD their effectiveness is greatly reduced.

We therefore recommend that SMETS 2 makes it clear that an IHD is always on and that a “virtual” IHD is not acceptable.

Question 3

What are your views on community outreach as a means of promoting smart meters and energy saving behaviour change?

We strongly support this angle. We have been involved with the South Cambs Sustainable Parish Energy Partnership (see <http://www.scambs.gov.uk/Environment/SPEP/about.htm>) which is an excellent example of the type of group that could help deliver consumer engagement.

Question 4

Have the right evidence requirements been identified for Foundation learning? What other evidence or approaches to research and trialling might we consider?

Many of the questions being asked here are being examined by several interested parties including Universities, Suppliers, manufacturers etc. There is therefore a risk that this work is repeating that which is already being done and therefore is not cost effective. In addition, there needs to be an understanding of how any conclusions from the testing will be put into action. This is a competitive area where suppliers and manufacturers are competing with each other and therefore will naturally develop and improve without the need for government intervention. Arguably current clip on energy monitors are already more consumer friendly and effective than those being designed to meet SMETS 1.

What is important to identify is where actions, activities and equipments are *not* having the desired effect as a means of ensuring that short-cuts are not being taken. Thus, the objective of Foundation may be better stated

as identifying what does not work rather than trying to test out new approaches, something that is better left to the commercial world thus saving the SMIP money.

Question 5

What are your views about the desirability of the Programme, or other independent parties, making available information on different suppliers' installation packages and their impacts? When might this best be introduced?

As with our answer to Question 4, this is something that is already done in the commercial world through multiple review sites and normal market mechanisms. There may be value in setting up a consumer review function as part of the communication activities if this is not adequately covered by other sites. The main need is to identify and correct elements that are not working. Other than these two elements we feel that this activity would not be cost-effective.

Question 6

Do you agree that a centralised engagement programme, established by suppliers with appropriate checks and balances, is the most practical solution given other constraints? If not, what other practical alternatives are there?

We strongly support the requirement for a Centralised Deliver Body where that body is tasked with delivering consumer engagement not energy savings. In particular, we believe that its role should closely reflect and build on the successful Digital UK:

A not-for-profit company created to lead the roll-out of smart meters to the public through:

1. Co-ordinating consumer facing aspects of the roll-out
2. Communicating to consumers
3. Co-ordinating stakeholders.

We do not support that Suppliers nominate members and directors as this provides them with unfair influence. A primary objective has to be that this body is trusted by consumers, the Government, Interest Groups and by Industry. Our alternative is covered in answer 7 as the funding route is closely related to the Body's governance.

Question 7

Do you think that suppliers should be obliged through licence conditions to establish and fund a Central Delivery Body or would a voluntary approach be preferable?

We do not support the fact that the body is solely paid for by the major suppliers as this is inequitable and may not be seen as being trustworthy. The consultation states that the alternative of a body funded by industry, but established by Government was considered but then goes on to focus on only one option, that it is funded by the DCC which is only one body.

There are many interested stakeholders in this including manufacturers, energy services businesses, communications agencies and consumer groups. We would recommend that in the same way that DigitalUK was supported by a core level of funding from the Licence Fee, a core level of funding is provided by all Suppliers in relation to the number of accounts held. In addition, we recommend a second category of membership is provided whereby interested parties including consumer groups (who are businesses with their

own agendas and competitive pressures) can join and contribute in much the same way as an Industry Group operates with sliding membership fees based on turnover. In this way there is an opportunity for other parties to contribute and have an influence. In particular, membership of expert groups and other advisory groups should be drawn from members and only be outsourced where relevant expertise is not available. This would go a long way towards generating trust and confidence in the body.

Question 8 - 35

Our views on these detailed questions are defined by our answers to the above questions. Several are based on the presumption of a major supplier funded Central Delivery Body and the aim of delivering energy savings. As we do not agree with either of these key elements it is difficult to comment on the subsequent questions without repeating ourselves.

Question 36

What are your views on whether the Government should, in due course, alter energy efficiency incentives in the light of new opportunities arising from smart metering? How might any such incentives operate?

We believe that would be significant value in broadening the remit of the Consumer Engagement Strategy to cover all aspects of Government Energy policies. Consumer engagement is fundamental to the success of all of them, at least all those that involve consumers. In particular, the lack of a consumer engagement strategy for the Green Deal will significantly impact its effectiveness.

Our research has consistently shown that out of sight means out of mind when it comes to energy. This has many effects: for example, consumers see little ongoing benefit from low energy light bulbs, that is how much money they are saving them, only that they take longer to heat up or give the wrong type of light. A new boiler is often a distress purchase as there is no visibility of the efficiency of a boiler or how much money is being saved when it is changed. Indeed, the lack of feedback may mean that the boiler could be operating ineffectively and negating the benefits it is designed to deliver.

This has two effects:

- a focus only on “passive” energy efficiency methods that do not involve the consumer other than buying them
- possible restraints on the take-up and on-going benefits of energy efficiency measures, restraints which could be significantly improved through the simple provision of consumer engagement measures.

We therefore believe that the measures set up for the SMIP should also be applied to the Green Deal.