

**SBGI Answers to the:  
Consumer Engagement Strategy  
Ref: URN 12D/033**



**Chapter 2 Introduction**

1.

Are these the right aims and objectives (paragraphs 2.12 – 2.13) against which to evaluate the Government's consumer engagement strategy for smart metering? Please explain your views.

**ANSWER:**

**SBGI agrees with all the objectives stated but we would add that for non-domestic they should be treated separately and with a message that is specific to these consumers and their needs and drivers.**

**Chapter 3 Effective consumer engagement**

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? (See also Appendix 1.)

**ANSWER:**

**SBGI believes that this is a good approach but it must be carried out by professional experts in this field be aligned and commercially agnostic.**

3.

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

**ANSWER:**

**SBGI believes this is an excellent method to reach specialist groups of consumers.**

4.

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

**ANSWER:**

**SBGI believes that the correct evidence has been identified but we have concerns that the feedback analysis timescales may not be soon enough to have effective influence on the early stages of the enduring phase of rollout prior to this beginning.**

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**Chapter 4 Delivering consumer engagement**

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?

**ANSWER:**

SBGI believes that collecting and collating best practice and publishing this in an effective timeframe is a good idea. However, the conclusion must not be used as inflammatory headlines and must be anonymous.

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?

**ANSWER:**

SBGI agrees with the principle but the checks and balances must be adequate to ensure timeliness and independent from supplier policy.

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?

**ANSWER:**

SBGI believes that the suppliers must be obliged and furthermore this obligation should begin now. This would ensure that the correct message goes out to consumers ASAP.

8.

What are your views on the proposed objectives for the Central Delivery Body? Are there any additional objectives which should be included?

**ANSWER:**

SBGI agrees with the proposed objectives.



9.

What are your views on the suggested activities for the Central Delivery Body?

**ANSWER:**

**SBGI strongly believes that an early priority should be to effectively counter inaccurate and negative media coverage.**

10.

Do you have any views on mechanisms for monitoring progress and holding suppliers to account in delivering objectives?

**ANSWER:**

**SBGI definitely believes that there should be mechanisms to effectively monitor suppliers progress and that they must be accountable for shortfalls.**

11.

How can we ensure sufficient effort and funding to achieve the objectives is balanced against the need to keep costs down?

**ANSWER:**

**SBGI has no strong views on this but perhaps it could be achieved via a competitive tender process.**

**SBGI has provided a collective answer to questions 12 to 16:**

12.

Do you think contracting an existing organisation or setting up a new Central Delivery Body would be a workable mechanism for delivering consumer engagement? What are the advantages and disadvantages of these two options?

13.

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Do you think the objectives and activities of the Central Delivery Body described here will help deliver the aims of the consumer engagement strategy (see paragraphs 4.32 – 4.33)? Please explain your views. Do you have any alternative suggestions?



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14.

How can we ensure that the Expert Panel attracts a sufficient level of expertise?

15.

Do you foresee any conflicts between this approach (particularly when structured in accordance with the information provided in the rest of this chapter) and competition law? If so, what are these and how might they be addressed?

16.

Do you have any other comments on how a governance framework could be designed to ensure the appropriate balance as described in paragraph 4.35?

**COLLECTIVE ANSWER: To questions 12 to 16:**

SBGI believes that the most effective way for this central body and its expert panel to operate is for it to be a new industry body. This new body should be a partnership between:

- Relevant trade bodies from the utility industry
- Suppliers
- Consumer Organisations
- Advertising/marketing experts

This would then be seen as independent, fit for purpose and also be a representation of the industry as a whole.

17.

What role should smaller suppliers have, if any, in setting up a delivery mechanism for central engagement? What should the ongoing relationship between small suppliers and the central delivery mechanism be?

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**ANSWER:**

SBGI believe that the smaller suppliers should be able to take a role in this delivery mechanism but it should be voluntary and not mandated. These suppliers must use to same material and send the same message.



18.

What role, if any, should network companies and communications service providers have in central engagement?

**ANSWER:**

**Network Companies:**

SBGI believes that networks may be able to contribute to the positive message to the consumers as they can enforce the message of "no reinforcement necessary with smart".

**Communication Service Providers:**

SBGI do not believe that the CSP would be able to contribute to the message to consumers and they are unlikely to achieve any benefit from being involved.

19.

Do you agree that the timings for the creation of a Central Delivery Body as set out above are achievable? Please explain your views.

**ANSWER:**

SBGI strongly believes that the stated timescales are not fit for purpose. They need to be much more aggressive and they must achieve the CDB being in place and operational not later than end of 2012. This is the only way that a proper and effective consumer engagement will be achieved.

20.

What are your views on the need for the Central Delivery Body to establish an outreach programme?

**ANSWER:**

SBGI believes that although this is an important objective but that it must be secondary to achieving the mainstream needs of communicating with the larger majority of consumers. We must not let an overzealous (albeit very worthy) drive to set up outreach to delay the mainstream element.

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Ref: URN 12D/033**



21.

Should there be requirements for suppliers to share roll-out plans with the Central Delivery Body, and for the body to take them into account?

**ANSWER:**

**SBGI believe this is essential so that the communications to consumers can be targeted as far as is possible.**

22.

Is there value in such a brand and if so, when should it start to be visible? Should suppliers or other stakeholders be able to use the brand on their own (non-central body) smart meter communications and if so, on what basis?

**ANSWER:**

**SBGI believes that there is great value in a brand and that it should be available for all suppliers (and perhaps other bodies such as consumer organisations) to use on appropriated monitored and approved literature etc.**

23.

Do you agree that the licence conditions as drafted in Part A effectively underpin the policy intention to require energy suppliers to form a Central Delivery Body? Please explain your views.

**ANSWER:**

**SBGI agree that the larger suppliers should be involved in the CDB and should supply the funding in a manner that still enables the CDB to act independently of suppliers. Other industry parties must have representation on this CDB (possibly via their respective trade bodies) and the management panel must not be weighted to allow one particular group to excessively influence the behaviour or strategies of the CDB.**

24.

Do the licence conditions as drafted give the Central Delivery Body sufficient separation from suppliers to achieve the policy objectives as set out above? Do you have any specific comments on the Constitution, Members and Directors, and Independence sections of the licence conditions?

**ANSWER:**



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**SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.**

25.

Do you agree with the way the objectives are drafted in the licence conditions? Should they be more or less detailed?

**ANSWER:**

**SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.**

26.

Do you agree that the licence conditions as drafted underpin the policy intention with regard to the expert panel? In particular, do they correctly identify the types of expertise required, and give sufficient clarity and detail on the purpose, role, independence, membership and operation of the Expert Panel? Do you agree that the Secretary of State should approve the process for appointing the Panel?

**ANSWER:**

**SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.**

27.

Do the licence conditions effectively underpin the policy intention of the functions of the CDB? Are there any additional functions that you think should be included in the legal drafting? Please explain your views.

**ANSWER:**

**SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.**

28.

Do you agree with the form and content of the Engagement Agreement as drafted in the Licence Conditions? Please explain your views.

**ANSWER:**

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SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.

29.

Do you agree that the licence conditions as drafted effectively underpin the other duties of suppliers in relation to the Central Delivery Body? Are there any other duties that should be included? Please explain your views.

**ANSWER:**

SBGI are broadly supportive of these proposals provide our views expressed in answer to question 23 are followed.

30.

Do you have any other comments on the licence conditions which have not been covered by the previous questions? Are there any unintended consequences we can anticipate?

**ANSWER:**

SBGI has no further comment

31.

Do you think there are any consequential changes to existing licence conditions or codes which are needed in order to make the proposed obligations work as intended? Please explain your views.

**ANSWER:**

SBGI has no comment on this question

Chapter 5 The non-domestic sector

32.

What are your views on the state of the energy services market for non-domestic consumers and its future development?

**ANSWER:**

This is best answered by the appropriate market participants.





33.

Do you agree that information on current smart and advanced metering would be useful to non-domestic customers in the short term? Is there other information that could usefully be provided at the same time?

**ANSWER:**

**This is best answered by the appropriate market participants.**

34.

Should the central delivery arrangements proposed in Chapter 4 extend to micro-businesses? What are your views on any centralised activities focussing on micro-businesses alone?

**ANSWER:**

**This is best answered by the appropriate market participants.**

35.

What changes might be required to the licence conditions at Appendix 2 to address the needs of the non-domestic sector?

**ANSWER:**

**This is best answered by the appropriate market participants.**

Chapter 6 Enabling wider changes to the energy system and market

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?

**ANSWER:**

**Sbgi believes that it is too early to provide a worthwhile answer to this. It is essential to maintain flexibility so that appropriate changes can be implemented in the future.**

