UTILITY MANAGEMENT
& ENERGY CONSULTANTS

Smart Metering Implementation programme – Roll out team,
DECC
3 Whitehall Place
London SW1A 2AW

10/10/2011
Ref: URN 11D/838

Dear Sirs,

Smart Metering Implementation Programme A call for evidence on data access and privacy

Please find attached our response to the above consultation.
We have responded only to those questions which are either relevant to our organisation and its' experience or to which we have relevant information to include.

[redacted]

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1. Please submit any further evidence, such as surveys or consumer research, regarding privacy issues and smart metering. In particular is there evidence available about the effects of the availability and aggregation levels of more granular data (for example daily)?

2. To what extent would different rules for access to data between suppliers and third parties be expected to impact on the development of an energy services market (in terms of product and tariff innovation and / or entry to the energy market by third parties)? What are the particular data uses to which these concerns apply?

A2. We believe that access rights should be non-discriminatory for suitably authorised parties concerning all data other than that required by suppliers for regulated duties. Any alternative approach would risk distorting and/or restricting what should be an open and competitive market and so both denying customers choice of service provider and preventing the development of an innovative and flourishing energy services market.

3. Are there any data uses, apart from those set out below, where the arrangements for access to data could have an impact on the benefits of the programme. How does this analysis differ for the gas market?

A3. In addition to energy efficiency services we foresee supplier/tariff comparison services and, in the future, active demand side management services. Such future demand side management could also help reduce energy and cost associated with gas transmission and distribution by reducing the energy associated with bringing gas into and out of storage to maintain system pressures during peak demand periods.

4. What types of energy services and energy advice could be provided by the market (by suppliers and / or ESCOs / potential new entrants) that require access to specific levels of data?

What level of data granularity (frequency, time-lag) are needed to provide such services and what is the potential impact of these services in terms of percentage energy savings?

Please provide empirical examples and explain the basis of any assumptions and distinguish between gas and electricity.

A4. Considering such services as energy efficiency advice and bill validation services, we believe that all organisations offering such services should be classified as ESCos, regardless of whether they are a new entrant or affiliated to an energy supply business. This would ensure non-discrimination.

Our experience in offering energy efficiency advice in the non-domestic market linked to automatic metering started as part of the Carbon Trust AMR Pilot project. Identifying both energy usage behaviour and waste requires profile data down to HH granularity. With such data coupled with targeted energy efficiency advice we were

able to identify an average of 12% savings opportunities across a range of 10 organisations ranging from retail to transport to manufacturing.

5. Should theft management be considered a regulated duty for which suppliers should have access to a certain level of smart metering data? What level of data would be required and how would this be used to manage theft? Please provide practical examples.

A5. Our opinion is that daily or weekly register readings would suffice for this activity. To get this frequency of data would require theft management to become a regulated duty. The frequency of readings would determine not only the potential level of exposure for a supplier (longer period with abnormal recorded consumption) but would also determine the level of pattern identification which could be carried out (7 days of daily reg reads would provide more useful information than one weekly reading) and so may prevent false alarms.

6. Does data need to be collected from all customers all of the time, for theft management, or could there be a trigger for accessing more detailed data (for example where theft is suspected)?

A6. This is a matter for suppliers albeit that there would need to be a justifiable case to incur and pass on to customers the likely additional costs for downloading all the data all the time.

7. What level of take-up of time-of-use tariffs could be expected under different scenarios for access to data? What information is needed to design time of use tariffs? In particular would sample or anonymised data be sufficient?

A7. Smart meters will have the ability to have time of use registers configured remotely. For any supplier looking to offer an innovative tariff, potential customers could have their TOU registers set up for the new tariff whilst the supplier agrees to continue billing them on the old tariff (this can be achieved providing that the new set up still allows aggregation of registers into the old time bands). This way a customer can clearly see whether a new tariff will be advantageous before committing to the change. Profile data is not required to facilitate this.

8. Do you agree that individual half-hourly data is not currently required for suppliers to meet their obligations in relation to settlement? Over what timescale are any changes to settlement likely to take place and what might the implications be in terms of data requirements?

A8. We agree that HH data is not currently required by suppliers to meet their regulatory obligations. Whilst there may be some future move toward HH settlement across customer categories, it should be remembered that even HH data for regulatory use purposes is just that – only for regulated use purposes – otherwise we open up the same issues of market distortion and unfair competitive advantage in the ESCo market.

13. Do you consider that use of data by network companies to support them in maintaining an efficient and economic network should be considered a regulated duty?

A13. This issue needs to be considered carefully since any absolute requirement to use data could generate additional costs for both network businesses and the SMIP which would then become allowable and be passed on to consumers – which would be acceptable if the resultant savings from running the networks outweigh the costs.

14. Do you agree with the requirement for such data to be anonymised or aggregated wherever possible, and how should this be monitored?

A14. We agree. This could be made possible through the overlaying of network data down to LV feeder level on the MPAN information used by DCC to control access to data. Requests to DCC from networks could then be processed by delivery of anonymised or aggregated data relevant to the part of the network being analysed.

21. What practical options for authentication would provide the right balance between allowing easy access to consumer data in the home while providing the necessary privacy protection? Are there any other issues or options that the programme should be considering in developing the approach in this area?

A21. We support the concept of the consumer SMHAN. We would consider PIN access to allow suitable devices to join SMHAN as an acceptable security measure with such a PIN number being allocated to the individual SMS and not requiring DCC or any other party to administer the permission process (being an automatic function of the SMS itself).

22. Are there other issues that need to be considered to make using the HAN a viable route for access to data in the home, from either a process or consumer perspective?

A22. One of the security challenges is how to allow restricted 'write' permissions via the consumer SMHAN as would be required to interrogate data from the SMS as opposed to just picking up data being pushed out automatically by the SMS via the SMHAN. If this issue cannot be overcome then consideration should be given to widening the range of data being automatically pushed out via the SMHAN so that a suitably paired consumer device would still be able to build up a complete set of appropriate data.

23. What sort of arrangements would provide an appropriate balance between providing ease of access for consumers seeking to sign up to new services and adequate protection for consumers' data when accessed via DCC? Do you have any suggestions for alternative approaches?

A23. We agree with the proposed arrangements put forward regarding SEC signatory and authentication. We also agree with the undertaking of further work to ensure that no industry party gains an unfair advantage and to this end all requests

for non-regulatory use data should be treated equally regardless of whether the requesting party is also the relevant supplier or not.

24. Are there other issues or options that the programme should be thinking about for the Foundation Stage or for non-domestic customers to facilitate access to data?

A24. We have been providing data services directly to non-domestic customers using AMR metering for many years as have other industry accredited data collectors and data aggregators. We believe that this 'agent' role and this service option needs to be more widely recognised by the programme which continues to refer to the only alternative to HAN or DCC as the obtaining data from the supplier.