Evidence

A consultation on draft licence conditions and technical specifications for the roll out of gas and electricity smart metering equipment

Citizens Advice response to DECC

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Introduction

Citizens Advice welcomes the opportunity to respond to DECC's consultation on the draft licence conditions and technical specifications for the roll out of smart meters.

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. The service aims:

- To provide the advice people need for the problems they face.
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,000 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

In 2010/11 the Citizens Advice service in England and Wales advised 2.1 million people on 7.1 million problems. Debt (2.3 million problems) and welfare benefits (2.2 million problems) were the two largest topics on which advice was given. Of the 2.3 million debt problems, almost 104,000 related to fuel debt. In addition, Citizens Advice Bureaux also dealt with over 40,000 problems about a range of other (non-debt) fuel matters.

We have limited our responses to those questions we feel that we are in a position to answer; specifically those that relate to the drafting of licence conditions and those with a particular direct consumer implication. We are not in a position to answer any questions that relate to the detailed technical specification of smart metering equipment. In some cases, where appropriate, although we are not able to comment on the detailed proposals themselves, we have indicated our view on the policy intention behind the proposals.

Responses

2. Do you think the licence conditions (AA1-2) as drafted effectively underpin the policy intention to complete roll out of smart metering equipment by a specified date? Are there any areas where you consider further clarification is necessary? Please explain your reasoning.

Yes we agree it is drafted effectively and clearly, although it would be improved if the phrase 'all reasonable steps' were backed up by guidance. We do acknowledge that this may be difficult at this stage, and note that DECC does not rule out producing guidance at a later date. But we believe guidance should be issued as soon as it can be - there would always be scope to amend this as new issues emerged.

3. Do you agree that the licence conditions as drafted effectively underpin the policy intention to deliver smart metering equipment with the functionality and interoperability required to meet the business case? Please explain your reasoning.

We agree that they do, although again, we believe that ‘all reasonable steps’ should be defined.

4. Do you agree that the smart metering equipment should be compliant with the SMETS extant at the time of installation and that it should continue to be compliant with that version of the SMETS through the operational life of the equipment? Please explain your reasoning.
AND
5. Do you agree that in some exceptional circumstances, suppliers should be required to retrofit smart metering equipment that has already been installed? Please explain your reasoning.

This seems reasonable to us. To ensure that smart metering equipment meets the standards required in terms of functionality and interoperability, it is absolutely essential for suppliers to ensure that the equipment they install is compliant with the SMETS at the time of installation. We acknowledge that it would not be reasonable for suppliers to ensure that all smart metering equipment was compliant with later versions of the SMETS, after installation, and that in general changes to the SMETS will be prospectively applied. However, in some circumstances it may be necessary for suppliers to retrofit equipment following a change to the SMETS, and we agree that the licence condition should (and does) provide for such circumstances.

6. Do you think the licence conditions (AA3-6) as drafted effectively underpin the policy intention for the new and replacement installation of smart metering equipment? Please explain your reasoning.
AND
7. What period of notice do you think would be appropriate before the new and replacement obligation comes into effect? Please explain your reasoning.

We agree that the licence conditions are drafted effectively (although again, we would like to see some guidance on the interpretation of ‘all reasonable steps’).

We do not have any comments to make on the period of notice to suppliers that would be appropriate. However, regardless of the advance notice period, this licence condition should come into force no later than the beginning of mass roll out.

8. What contribution do you think the interoperability licence condition as drafted could play in ensuring that suppliers work together to ensure smart metering equipment is interoperable? Please explain your reasoning.
AND
9. Do you think the licence conditions as drafted effectively underpin the policy intention to ensure smart metering equipment is interoperable? Please explain your reasoning.

We are not best placed to provide a view on the likelihood or the types of situation in which the SMETS and any assurance framework might fail to fully delivery interoperability, but it seems sensible to us to insert a backstop condition into the supply licences in case such circumstances do arise.

We think that the licence conditions as drafted do effectively achieve this intention.

10. What role could a dispute resolution mechanism have a role [sic] in ensuring interoperability? What key features should such a mechanism have?

Citizens Advice is not in a position to comment on the detail of any proposed mechanism for resolving disputes between suppliers. However, for the customer, who may have been frustrated in trying to switch supplier due to a failure of technical interoperability it is essential that any disputes are resolved as quickly and efficiently as possible. From a consumer perspective it does not matter which supplier is responsible for a failure, as long as the failure is resolved swiftly, without cost and without undue hassle for the consumer.

15. What do you think the implications would be of extending the new and replacement obligation to the licences of other relevant parties in relation to installing smart metering equipment in new developments without the involvement of a supplier? Do you think mechanisms other than licence conditions should be considered to achieve the policy objective? Please explain your reasoning.

Citizens Advice supports the policy intention to ensure that smart meters are installed in new developments, and of the proposal to place obligations on relevant parties, but we have no comment to make on the mechanisms by which this would be best achieved.

19. Do you think the licence conditions as drafted effectively underpin the policy intentions set out for the provision of IHDs to domestic consumers? Please explain your reasoning.

We are concerned that as currently drafted, the licence condition will only require suppliers to provide an IHD to customers whose smart metering equipment was installed in advance of the licence condition taking effect if such a customer requests it, but there is neither a requirement on suppliers to make customers aware of the availability and benefits of IHDs nor a right for consumers to request one. Suppliers should have an obligation to make early movers with compliant equipment aware that they will be entitled to receive an IHD should they want one and request one during the Relevant Period.

24. Do you think there are any other requirements that the Government should adopt in the SMETS? Please explain your reasoning.

We would like to see the SMETS include some specific requirements around the principles of customer accessibility and inclusive design. All smart metering equipment that is consumer-facing (e.g. the IHD) should be designed to meet the access needs of as wide a range of customers as possible (for example by using an appropriate text size on display screens), thus ensuring that access to the benefits of this technology is maximised.

28. Do you think that the SMETS should ultimately be governed as part of the Smart Energy Code? What alternative arrangements could be adopted for the ongoing governance of the SMETS? Please explain your reasoning.

In principle, using the Smart Energy Code to govern the SMETS seems sensible to us at this stage.

46. Do you agree with the proposed approach for consumers to access data and transfer it from the HAN via a separate “bridging” device? Please explain your reasoning.

We cannot comment on the technical aspects of these options, but our concern about option A is that the cost of the bridging device may make it difficult for low income consumers to access. This could potentially be resolved by enabling certain groups of consumers to access bridging devices for a reduced price and/or by ensuring that an alternative means of accessing the data is available, for example via the supplier on request. We acknowledge that low income consumers may in any case be less likely to have access to the other sorts of technology required to access data via the other options (e.g. home wifi under option C or a plug in device under option B) and therefore under any of the options, an alternative means of accessing the data would be useful.

50. Do you agree that the IHD should only be required to display ambient feedback based on energy usage? Please explain your reasoning.

We support the intention to minimise consumer confusion by displaying only ambient feedback based on energy use, but suggest that information based on costs could also be extremely useful to consumers. With smart meters, we expect there to be a significant increase in the use of time of use tariffs, and seeing information that indicates the relative cost of energy being used at different times of day could potentially help consumers to make decisions about the most suitable tariff. This could potentially encourage increased engagement with the energy market and increased switching. We suggest that further thought is given to the possibility of providing ambient feedback about both energy usage and energy cost in a way that minimises potential confusion; for example, perhaps customers could select which mode they wish to see the information in, and switch between them if desired. If usage were felt to be more useful to more people, this could be set as the default option.

51. Do you agree that smart metering equipment should be designed to support the calculation and/or display of account balances as described above, even though suppliers may not initially be mandated to invoke such functionality for credit customers?

AND

52. What do you think the costs and benefits to suppliers are of mandating suppliers to display an account balance (over-and-above those arising from display of information on cumulative cost of consumption) for credit customers on their IHD.

It would seem sensible to design smart meters so that they can display an account balance as it means that the possibility of mandating the use of this functionality remains open to Government. Some customers may find this information useful in managing their energy spend and those consumers who do not find it useful or do not wish to see their balance could choose not to display this. Although there is a potential for confusion for customers looking at their account balance over the summer months, this is already the case with bills which are generally received quarterly, even by customers who pay by monthly direct debit.

We do not have any evidence to provide on the specific costs and benefits of mandating suppliers to display an account balance.

54. Do you think that an assurance framework, underpinned by regulatory obligations, is needed to support the delivery of the required functionality, interconnectivity, interoperability, and security of smart metering equipment? Please explain your reasoning.

It seems sensible to us to develop an assurance framework to ensure that the various mechanisms by which smart metering interoperability and standards would be managed are brought together in one place. Including monitoring and enforcement procedures and underpinning the framework with regulation would be vital to ensure that the framework worked effectively.

55. Do you agree that as part of any assurance framework adopted, there should be a testing regime in place to support the delivery of the required functionality, interoperabilty and security? Please explain your reasoning.
AND
56. What are your views on the options outlined for a testing regime? Are there other options that should be considered?

A testing regime must form part of the smart metering programme to ensure that equipment and systems work effectively and that problems for consumers during the rollout (and in the longer term) are minimised. We believe that establishing a certification or accreditation regime is likely to provide the most robust way of achieving this. As a piece of measuring equipment, it would be sensible and logical to subject smart meters to a testing and accreditation regime equivalent to those used for other equipment associated with weights and measures. This would be simple and easy to understand, and consumers could be confident that their new meter had been tested and passed by an independent, qualified person.