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Smart Metering Implementation Programme
Department of Energy and Climate Change
Room 101
55 Whitehall
London SW1A 2AW

27 July 2012

Dear Sirs,

Smart Meters Programme: Strategy and consultation on information requirements for monitoring and evaluation (May 2012)

Northern Powergrid is the main electricity distribution business for the Northeast, Yorkshire and parts of northern Lincolnshire, operating through its two licensed subsidiaries, Northern Powergrid (Northeast) Ltd and Northern Powergrid (Yorkshire) plc. We welcome the opportunity to respond to this consultation.

We have one major concern, which needs addressing. The consultation, in paragraph 1 says that monitoring is important to inform decisions by Government and **other parties** (my emphasis). However, the more detailed description of the purpose and the methods of monitoring seems only to relate to Government needs. Much detailed work has taken place within the Energy Networks Association and the Operational Issues subgroup of the Consumer Engagement and Roll-out Group to clarify the requirements for work to be carried out by distribution network operators (DNOs) in support of the smart meter roll out, for instance work that needs to be carried out before the smart meter can be installed. Current assessments of the resources needed and the related cost are based on assumptions from limited data. Statistics relating to the prevalence of such occurrences, and other data such as the frequency of meter installers being unable to access the premises, would be valuable in assisting DNOs with planning and resource allocation. This would enable a smoother rollout with companies more able to deliver a lower cost service and better experience for customers with less disruption. Discussions between suppliers and DNOs have been helpful in defining information needs and putting processes in place, but this information flow needs to be put on the same compliance level as data flows required for Government and Ofgem purposes. We therefore propose that the licence condition on suppliers be extended to cover provision of data to assist DNOs with supporting the rollout.

Our detailed responses to the questions are included below, but all relate to this key issue.

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Smart Metering Implementation Programme: Monitoring and evaluation strategy

Response by Northern Powergrid

1. **Do the licence conditions as drafted, deliver the set policy intentions set out above – for example, to create a consistent, predictable and proportionate framework for monitoring and reporting? Do any specific areas of the draft licence conditions need amendment or clarification to deliver this policy, and if so, how should they be amended?**

No. The consultation, in paragraph 1 says that monitoring is important to inform decisions by Government **and other parties** (my emphasis). However, the more detailed description of the purpose in the draft licence condition only relates to Government needs. Much detailed work has taken place within the Energy Networks Association and the Operational Issues subgroup of the Consumer Engagement and Roll-out Group (CERG OI) to clarify the requirements for work to be carried out by distribution network operators (DNOs) in support of the smart meter roll out, for instance work that needs to be carried out before the smart meter can be installed. Current assessments of the resources needed and the related cost are based on assumptions from limited data. Statistics relating to the prevalence of such occurrences, and other data such as the frequency of meter installers being unable to access the premises, would be valuable in assisting DNOs with planning and resource allocation. This would enable a smoother rollout with companies more able to deliver a lower cost service and better experience for customers with less disruption. Discussions between suppliers and DNOs have been helpful in defining information needs and putting processes in place, but this information flow needs to be put on the same compliance level as data flows required for Government and Ofgem purposes. We therefore propose that the licence condition on suppliers be extended to cover provision of data to assist DNOs with supporting the rollout. The purpose in section 2 of the draft licence condition for suppliers needs amending accordingly.

We also have a number of drafting suggestions to make to the draft electricity distribution licence conditions at Annex B to the consultation. These are at Annex 1 to this response.

2. **Is there a need for any consequential changes to existing licence conditions or codes to ensure that the proposed requirements on suppliers or network operators work as intended?**

We are not aware of any other changes needed, given the changes to the Master Registration Agreement that have already been made to improve tactical reporting by suppliers and their agents.

3. **What are your views on this proposed approach to the scope, frequency and timing of the content of Information Requests?**

The timing of information requests relating to DNO needs should align with decisions taken in CERG OI.

4. **Do you have any comments on the proposed framework for the provision of suppliers' plans and reporting information to Ofgem? Are there any alternative approaches that might better achieve the aims of the framework?**
We have no comments to make.
5. **Do you have any comments on the appropriate format of, and interval between, the interim milestones?**
We have no comments to make.
6. **Do you have any comments on which elements of the above approach would be appropriate for smaller suppliers?**
We have no comments to make.
7. **Do the licence conditions as drafted effectively implement the proposed framework described in this section?**
We have no comments to make.
8. **What are your views on the options for different geographical granularity of data collection for:**
 - **Monitoring the roll-out of smart meters**
 - **Tracking the impact of smart meters on consumer's energy use for a sample of consumers**
 - **Understanding the benefits and costs incurred?**DNOs will need information relevant to their operations at a more granular level than simply by DNO area if they are to be able to plan work effectively.
9. **What are your views on this approach to the publication of aggregated and supplier-specific information?**
We have no comment to make.
10. **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?**
We have no comment to make.
11. **What are your views on the information that large domestic suppliers should provide to Government on an annual basis?**
We have no comment to make.
12. **What are your views on the information that suppliers should provide to the Government on a regular reporting cycle?**
Paragraph 12.3 refers to potential barriers and risks to successful roll-out, issues such as whether customers are actively refusing smart meters, and the extent to which operational or communications issues are causing smart meter installations to be aborted. Our view is that important aspects of data collection relating to these issues and of relevance to DNOs are not properly addressed by the approach proposed in the consultation. It is important that these are addressed effectively.

Annex 1 – Proposed changes to the draft electricity distribution licence conditions

In the first line of paragraph 2 (and in the heading immediately before it), reference is made to the purposes (plural) of the condition. However, only a single purpose of the condition is then set out (namely to ensure that the Secretary of State may obtain such information as he may reasonably require). The purposes listed at (a) to (d) are purposes of the Secretary of State, not of the condition.

At three points in paragraph 2 reference is made to Smart Metering Systems. As these references are apparently following the licence convention of using initial capitals to identify defined terms, a definition of this term needs to be provided.

In 2(b)(ii) the reference to 'costs savings and services improvements' should be to 'cost savings and service improvements'.

In 2(c)(i) 'which' should be changed to 'that', as the pronoun in this case introduces a defining, rather than a non-defining, clause.

In 2(d) the reference to 'paragraphs (a) to (c) above' should be to 'subparagraphs (a) to (c) above'.

In paragraph 7 'which' should be changed to 'that', as the pronoun in this case introduces a defining, rather than a non-defining, clause.

Standard usage in the distribution licence is for a comma after the penultimate item in a list. For consistency, this will mean adding commas as follows:

- After 'operation' in the second line of paragraph 1;
- After 'operation' in the first line of 2(a);
- After 'operation' in the second line of 2(b);
- After 'records' in the fourth line of the definition of 'Information' at paragraph 11.