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Date: 12/10/2012 Response by: REDACTED REDACTED REDACTED

## Consultation Response

Smart Metering Implementation Programme  
Department of Energy & Climate Change  
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London  
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### Smart Meters Implementation Programme: Consultation on the second version of the Smart Metering Equipment Technical Specifications (URN 12D/258)

Which? believes smart meters can deliver benefits for consumers, such as an end to estimated energy bills and the opportunity for people to better understand their energy use and take steps to reduce it. However, this is dependent on an effective consumer engagement strategy and robust mechanisms to keep costs under control.

It is essential that consumers truly feel the benefit of having a smart meter by having accurate information via the in-home display. Accurate price - consumption information will form the foundation of empowering consumers to take control of their energy use, their spending and engagement in the energy market. Which? believes this is critical to ensure that the roll-out is cost effective and delivers value for money for all consumers.

Which? is not a technical expert. However there are a number of general issues that DECC should consider when developing the technical specifications for a successful smart meter roll-out.

#### IHDs must display accurate price information

As we have stated repeatedly, the IHD should provide consumers with the information they need in order to understand how their consumption and how this relates to the bills they pay. However there seems to be some confusion as to whether the IHD will indeed provide this vital information.

In discussions with suppliers and manufacturers, Which? has learned that there are contradicting views on whether the IHDs can provide accurate data. Some state that it simply is not possible and that price information will receive caveats such as “for illustration only” and will not include, for example, fixed costs. However another supplier has stated that it will be possible and that they plan to roll-out IHDs with accurate price information in early 2013.

#### Which? Is a consumer champion

We work to make things better for consumers. Our advice helps them make informed decisions. Our campaigns make people's lives fairer, simpler and safer. Our services and products put consumers' needs first to bring them better value.

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Communication from government and industry could give consumers the belief that IHDs will provide accurate price information. For example, on the DECC website, next to a picture of an IHD, the text says “Providing more accurate information and bringing an end to estimated billing”. While consumers should see the benefit of accurate bills, they may, understandably, assume that the IHD will also provide accurate price information. We find it impossible to understand how it can be deemed acceptable that the IHDs provide ‘inaccurate’ price information. This would not only impede consumers’ ability to understand the consumption-price relationship, but could also lead to confusion and frustration, particularly if consumers are using these figures to budget.

Consumers are not only expected to foot the £11 billion bill for the roll-out, their engagement is also required if the roll-out is to be successful. Successful engagement therefore needs to start with accurate information on the IHD through which they can take control of their energy use and budget. The capability of IHDs to provide accurate information to consumers must be central to DECCs design requirements.

#### **Smart meters should not be a barrier to engaging with the market**

The consultation raises the question of which suppliers should bear the costs of installing equipment when consumers switch. Which? believes that it is essential that the smart meter roll-out does not put in place any barriers to switching. We have been in discussions with manufacturers and suppliers and are already aware of issues regarding costs of inheriting a customer with a smart meter. We also understand that the financial arrangements to deal with this issue may still be unclear. We urge DECC to ensure that costs are clear and that consumers do not face any detriment as a result of having or not having a smart meter or from a new supplier that is reluctant to inherit extra costs.

If you have any further questions or would like to discuss any of the above points further, please don’t hesitate to contact me.

Yours sincerely,

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