

Response to BEIS Smart Metering Implementation Programme questionnaire - 22 September 2016

We are strongly in favour of smart meters and have been promoting their use whenever possible. However, it is clearly apparent the rollout programme has taken a wrong direction on priorities and we give our reasons below. These are based on energy industry experience. Although we have responded previously to DECC questionnaires in detail we do not feel it appropriate to attempt to answer your questions this time one by one, as they are not directly relevant to our experience or the situation as we now see it.

In general response to your questionnaire we are appalled at the complexity that has arisen with the UK Smart Meter Rollout Programme. We are concerned that the rollout is being done on an ad hoc basis only to those consumers that apply or agree to have them where local area communications facilities are available. We are also worried that SMETS1 versions are being promoted now, when it is known these will need to be replaced by SMETS2 versions in most places, adding unfairly to the costs that ALL consumers will have to pay for the rollout programme. We believe it essential that every consumer has one, preferably well before the 2025 EU obligation, if this still applies. It is also worrying that, according to Smart Energy GB, the interactivity rate with the smart meter is being left to the consumer's choice. Given all these fundamental concerns we believe the rollout programme should be temporarily halted pending a review of objectives, priorities and modus operandi.

Up-to-date accurate billing was claimed to be the major benefit for consumers, but as time has moved on over the long duration of the programme, it has become clear that energy saving is by far the most important national requirement and consumer need.

With the closure of coal-fired and other fossil fuelled power stations the optimisation of distribution networks has become a major energy saving requirement. Smart meters if used in near-real time in an intelligent way in conjunction with smart grids and energy storage can help optimise the use of renewable energy obtained from both local and national sources. The intelligent centre for local energy provision is with the network operator and to be efficient it requires ALL local consumers to be party to the network with smart meters in near-real time for optimisation. This also enables those in fuel poverty to benefit from lower tariffs in real time. The Citizens Advice Bureaux stress this is likely to become more critical due to the falling pound against the US dollar (energy currency).

We believe smart meters and basic in-home displays (IHDs) should be rolled out to ALL consumers in a locality on an area by area basis as Data and Communications Company (DCC) wide area networks (WANs) become available. Whether this should be done by the local network operator on behalf of energy suppliers would depend upon local circumstances – however, ALL consumers in one locality should be done at the same time. It should be noted that both the network operator and the energy supplier need real time communication with each smart meter.

As DCC WANs become available, it would be much quicker and less costly if network operators rolled out and maintained smart meter hardware of standard specification (SMETS2) to ALL consumers on behalf of energy suppliers. There are significant benefits in this approach, such as:

- Automatic optimisation of smart grids encouraging renewable energy in real time.
- Flexibility in consumers' choice of compatible IHDs and appliance controls with help for the disabled.
- Check on energy pilfering, which is likely to become an increasing problem.
- Easier switching of energy suppliers with no discontinuity to network operators, obviating physical install and leave.
- The ability to take advantage of real time renewable tariffs on a local area basis (community schemes).
- Easier integration of consumers' local generation (PV etc.) and recharging of electric vehicles.
- Regular safety checks of consumers' meters, earthing and control panels by network operators' maintenance staff.

DECC had warned energy suppliers that the supply of smart meters before the final rollout version specification was agreed would be at their own risk. Unfortunately there have been compatibility issues, but most of the suppliers that have done this are also network operators so the cost of conversion, if necessary, will be minimal. The assumption in your questionnaire is that the DCC will use mobile phone technology in WANs throughout - we understand this has presented problems in certain rural areas and had been responsible for some of the delays. If this is true it would seem sensible to consider the use of Internet connection in some areas, but there could be different security and legal issues involved.

Please do not hesitate to come back to us with any questions or need for clarification.