

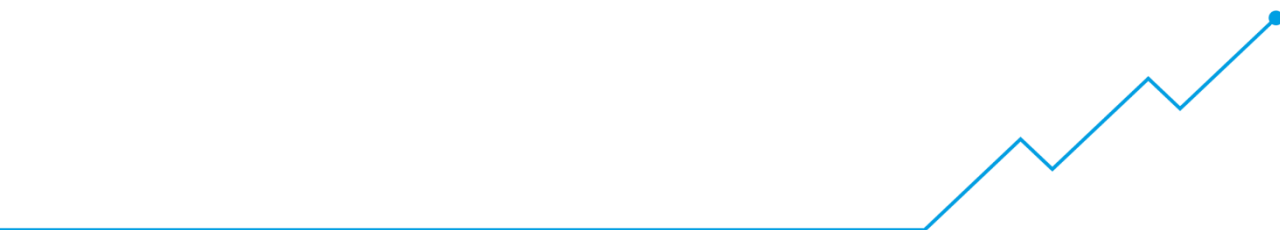


Department
of Energy &
Climate Change

Smart Meters

Quarterly Report to end March 2016 Great Britain

Statistical Release:
Experimental National Statistics



30 June 2016

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Any enquiries regarding this publication should be sent to publication (including suggestions for developing the publication) should be sent to DECC's Smart Meter Statistics Team at the following email address: EnergyEfficiency.Stats@decc.gsi.gov.uk.

This document is also available from our website at www.gov.uk/decc

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Executive Summary

This quarterly release presents statistics on the roll-out of smart meters in Great Britain. It includes information on the number of smart meters installed in domestic properties and smaller non-domestic sites in the last quarter (Q1 2016) by the large energy suppliers, as well as the total number of meters large suppliers operated at the end of quarter one 2016

For completeness, information on small energy suppliers¹ to the end of December 2015 is also included in this report.

Key findings:

Smart meter installations

- A total of 540,100² domestic smart meters were installed by the large energy suppliers in the first quarter of 2016 (233,300 gas and 306,800 electricity meters). This represents a 34 per cent increase in smart meter installations compared to the previous quarter. This increase is in part due to the inclusion of an additional large supplier in the quarter's figures.
- Over the same period, 18,900 smart and advanced meters were installed in smaller non-domestic sites by large energy suppliers (of which 14,900 were advanced meters and the rest smart meters). This represents a 26 percent decrease in overall smart and advanced meter installations compared to quarter four 2015.

Smart meters in operation

- As at 31 March 2016 there were 2.75 million meters operated in smart mode by large energy suppliers in domestic properties across Great Britain. Overall, this represents 5.8 per cent of all domestic meters operated by large energy suppliers.
- At 31 March 2016, there were 569,300 (44,300 gas and 525,000 electricity) non-domestic smart and advanced meters operating in smart mode or with advanced functionality by large energy suppliers. This represents one in five of all non-domestic meters operated by large energy suppliers.
- **There are now over 3.6 million smart and advanced meters operating across homes and businesses in Great Britain, by both large and small energy suppliers³.**

¹ Small energy supplier statistics are collected on annual basis, therefore information on these suppliers relate to the last full calendar year, 2015.

² Individual numbers are independently rounded to the nearest 100 and can result in totals that are different from the sum of their constituent items.

³ Due to the differing data collection frequency for large and small suppliers, the total quoted reflects the latest operating figures available (as at 31 March 2016 for large suppliers and 31 December 2015 for small suppliers).

Chapter 1: Introduction to Smart Metering

1.1 Overview

The Government has a manifesto commitment to ensure that every home and business in the country is offered a smart meter, delivered as cost effectively as possible. The Smart Metering Programme aims to roll-out over 50 million smart gas and electricity meters to all domestic properties and smart or advanced meters to smaller non-domestic sites in Great Britain by the end of 2020 - impacting approximately 30 million premises. Further information about the Programme can be found on the Gov.uk website.

The Smart Metering rollout obligation requires energy suppliers to take all reasonable steps to replace traditional energy meters with smart or advanced meters (as outlined in Section 1.4) by the end of 2020. The roll-out of smart meters across Great Britain is supplier-led where the suppliers are free to plan their own installation strategy.

The Smart Metering Programme is designed to be delivered in two phases. The first phase is the Foundation Stage, during which the Government is engaging with the energy industry, consumer groups and other stakeholders to put commercial and regulatory frameworks in place to support smart metering, trial and test systems and learn lessons from early installations to enhance the consumer experience. The second phase is the main roll-out stage, which is when most householders will have smart meters installed by their energy company (in the period 2016 to 2020).

Energy suppliers are responsible for planning and delivering the installation of smart meters for their customers and are free to plan the roll-out in a way that suits their business and the needs of their customers, subject to the requirement to complete the roll-out by the end of 2020. As such, energy suppliers proposed approaches to the roll-out vary and take into account factors such as the location of their customer base, installation workforce and when their customers would need their traditional meters replaced on a routine basis. The approach adopted by energy suppliers may also change as they progress through the roll-out.

Some energy suppliers have used the Foundation Stage to undertake testing and trialling of installations to help ensure their customers have a positive experience of smart metering. Therefore, some customers will receive smart meters during the Foundation Stage, as energy suppliers start up their programmes. Other energy suppliers have planned to begin installations during the main roll-out stage. Fluctuations in the number of smart meters installed each quarter is therefore expected, as different energy suppliers install smart meters according to their own strategy.

The first statistical report on the progress of Smart Metering roll-out obligation for the large energy suppliers was published in September 2013 and has been updated every quarter since. The last quarterly report (Q4 2015) published for the first time figures on small

suppliers (see Section 1.3 for further details on large and small suppliers). These are included in this report for completeness.

DECC will continue to monitor smart meter installations and the number of meters in operation in Great Britain on a quarterly basis until the end of the Programme. More detailed information on the methodology used to produce estimates of the number of meters installed and operating during the roll-out period is included in the accompanying methodology note, available at:

<https://www.gov.uk/government/collections/smart-meters-statistics>

1.2 Types of Premise

Under the smart meter obligations, energy suppliers are required to replace traditional meters with smart or advanced meters, in two types of property.

Domestic Properties

Domestic properties are defined as properties where the customer is supplied with electricity or gas, wholly or mainly for domestic purposes.

Smaller non-domestic sites

These are business or public sector customers whose sites use low to medium amounts of electricity (defined as a smaller non-domestic site falling within Balancing and Settlement Code Profile Classes⁴ 1, 2, 3 or 4) or gas (defined as a smaller non-domestic site using less than 732MWh of gas per annum). The sites therefore range from individual micro- and small businesses to the smaller sites of private and public sector organisations.

1.3 Types of Supplier

Large energy suppliers

Large energy suppliers are defined as those that supply gas or electricity to at least 250,000 domestic customers; they may also supply non-domestic sites. A large energy supplier need only supply 250,000 domestic customers a single fuel to be classed as a large energy supplier (i.e. an energy supplier supplying gas to 250,000 domestic customers but who does not supply electricity customers is still classed as a large energy supplier). Under their supply licence conditions large energy suppliers are required to provide numbers of smart meter installations and meters in operation to DECC on a quarterly basis. This information is reported in the quarterly statistics.

Currently ten energy suppliers meet these criteria and are thus referred to as large energy suppliers throughout this report (see Annex A for further details).

⁴ <https://www.elexon.co.uk/knowledgebase/profile-classes/>

Small energy suppliers

Small energy suppliers are defined as those that supply gas to less than 250,000 domestic customers and electricity to less than 250,000 domestic customers; they may also supply non-domestic sites. Under their supply licence conditions, small energy suppliers are required to provide information to DECC on an annual basis and are therefore reported on at the end of the calendar year (to 31 December).

Currently 37 small energy suppliers are required to provide data returns under these conditions and are referred to as small suppliers throughout this report (see Annex A for further details).

1.4 Types of Gas and Electricity meters

Smart Meters

Smart meters are the next generation of gas and electricity meters and offer a range of intelligent functions. All domestic consumers will be offered an In-Home Display (IHD) as part of the smart meter roll-out, which shows how much energy is being used, and how much it is costing, in near-real-time. This information will help them control and manage their energy use, save money and reduce emissions. Smart meters will also bring an end to estimated meter readings, providing consumers with more accurate bills.

A smart meter is compliant with the Smart Meter Equipment Technical Specification⁵ (SMETS) and has functionality such as being able to transmit meter readings to energy suppliers and receive data remotely. Each large energy supplier reports the number of smart meters it has installed and is operating in smart mode to DECC on a quarterly basis, while small suppliers report to DECC on an annual basis. This includes both meters that are SMETS compliant and those they expect to upgrade to become SMETS compliant. Some smart meters currently installed will need to receive updates before they are fully SMETS compliant.

Only smart meters that meet the SMETS regulations count towards supplier roll-out obligations. Energy suppliers must take all reasonable steps to replace other meter types in domestic properties with these meters by the end of 2020 in order to fulfil their licence conditions.

Smart-type Meters

Some suppliers have chosen to make an early start by rolling out smart-type meters without the full functionalities included in SMETS. Energy suppliers have learned lessons from installing and operating smart-type meters, which will benefit the smart meter roll-out and has allowed their customers to have early access to some of the benefits of smart metering. All data relating to smart-type meters are referred to as such, in this report.

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/381535/SMIP_E2E_SMETS2.pdf

Smart-type meters are not classed as ‘smart meters’ and therefore do not count towards the supplier’s roll-out obligation in domestic sites. Smart-type meters installed in domestic properties will need to be replaced with SMETS compliant smart meters by the end of 2020 in accordance with energy suppliers’ roll-out obligations.

Smart-type meters however exceed the minimum specification for advanced meters (described below) and will count towards supplier roll-out obligations in smaller non-domestic sites.

Advanced Meters (only installed in smaller non-domestic sites)

Advanced meters must, at minimum, be able to store half-hourly electricity and hourly gas data, to which the customer can have timely access and the supplier has remote access. However, meters described as “advanced” in this report may have additional functions found in a smart meter that meets the Government’s technical specification.

In smaller non-domestic sites, advanced meters may be installed as an alternative to SMETS-compliant smart meters until April 2017, in the case of large suppliers, and August 2017 in the case of small suppliers. They may also be installed after the end dates noted above until December 2020, where a contract to install such meters was in place before April 2016. These meters will not have to be replaced with SMETS meters in non-domestic sites before 2020 and therefore count towards the supplier’s roll-out obligation.

Traditional Meters

Traditional meters are currently found in most domestic and smaller non-domestic sites and do not have any smart capability. Traditional meters will be replaced by smart and advanced meters during the smart meter roll-out.

1.5 Further information

The next quarterly publication is planned for publication on 29 September 2016 at 9.30am. The content and format of the quarterly smart meters statistical report is currently being reviewed. The format and context may be subject to change in future versions.

Any enquiries or comments in relation to this statistical release (including suggestions for developing the publication) should be sent to Masuma Ahmed in DECC’s Smart Meter Statistics Team at the following email address:

EnergyEfficiency.Stats@decc.gsi.gov.uk

Contact telephone: 0300 068 5922

The statistician responsible for this publication is Julian Prime.

Further information on energy statistics is available at:

<https://www.gov.uk/government/organisations/department-of-energy-climate-change/about/statistics>

Chapter 2: Domestic Smart Metering

This chapter reports on the latest number of smart meters installed in domestic properties during the first quarter of 2016 by the large energy suppliers; as well as the final number of meters operating in smart mode as at the end of quarter, 31 March 2016.

Also presented here are the latest domestic smart meter installation activity reported by small energy suppliers during the full 2015 calendar year, and the number operated as at 31 December 2015⁶.

Detailed breakdowns on installation and operating figures can be found in the accompanying tables to this report, available at:

<https://www.gov.uk/government/collections/smart-meters-statistics>

2.1 Smart meter installations in domestic properties

A total of 540,100 smart meters were installed by the large energy suppliers in the first quarter of 2016 (233,300 gas and 306,800 electricity meters). This represents a 34 per cent increase in smart meter installations compared to the previous quarter (38 per cent increase for gas smart meters and 31 per cent increase for electricity smart meters). This increase is in part due to the inclusion of an additional large supplier in the quarter's figures.

From the start of the Programme up until 31 March 2016, large energy suppliers have reported installing an estimated total of 2,606,200 smart meters across domestic properties in Great Britain – 1,068,800 of which have been gas smart meters and 1,537,400 have been electricity smart meters.

Small energy suppliers have reported installing a total of 285,000 smart meters during the 2015 calendar year, of which, 137,500 were gas smart meters and 147,500 electricity smart meters.

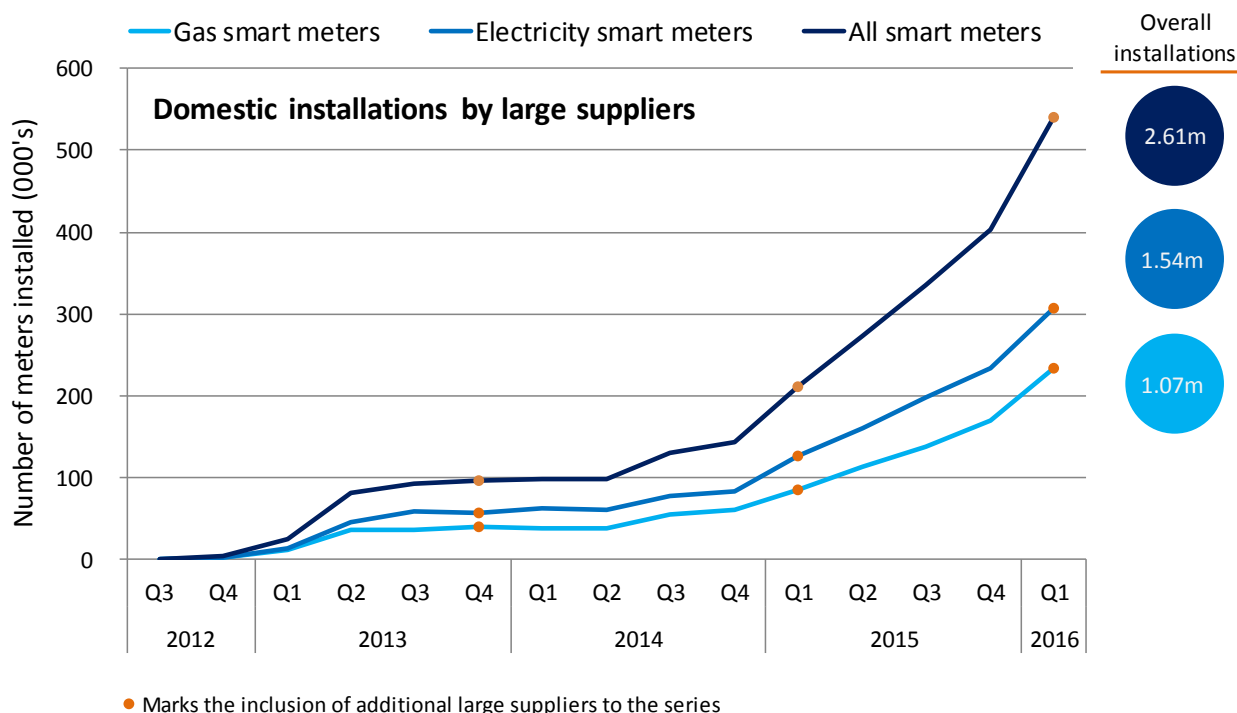
Collectively across both large and small suppliers, 2.89 million smart meters have been installed in domestic properties to date – 2.61 million of which were installed by the large energy suppliers⁷.

⁶ Note, a repeat of the small supplier statistics are presented from the last quarterly publication for completeness, as these are collected on an annual basis, with 2015 being the most recent period.

⁷ Due to the differing data collection frequency for small and large suppliers, the installation total quoted reflects all cumulative installations as at 31 March 2016 for large suppliers and 31 December 2015 for small suppliers.

Figure 1 shows the installation activity by large energy suppliers over the course of the Programme. This figure shows more electricity smart meters are installed every quarter compared to gas smart meters – this is due to some properties having only electricity supplied and also some energy suppliers choosing to carry out electricity only installations at present.

Figure 1: Quarterly domestic installation activity for large energy suppliers



Note, the above chart excludes historic data which can be found in the accompanying Excel Table 1a.

2.2 Operational meters in domestic properties

As of 31 March 2016, there were a total of 21.6 million gas meters and 26.1 million electricity meters operated by large energy suppliers in domestic properties across Great Britain.

Table 1 below shows the breakdown of all large supplier operated meters by different meter and fuel types. Note, only smart meters count towards the roll-out figures reported under this Programme.

Table 1: Domestic meters operated by large energy suppliers as at 31 March 2016

Meters operated as at 31 March 2016	Smart Meters	Smart-Type Meters	Traditional Meters	All Meters
Gas	1,165,000	334,000	20,084,600	21,583,500
Electricity	1,583,200	567,100	23,965,600	26,116,000
Gas and Electricity	2,748,200	901,100	44,050,200	47,699,500

The number of smart meters in operation is defined as the number of smart meters that energy suppliers are operating in smart mode.

As expected, large energy suppliers have seen a steady increase in the number of smart meters in operation from quarter to quarter⁸ and as at 31 March 2016 there were 2.75 million meters operating in smart mode in domestic properties across Great Britain. Overall, this represents 5.8 per cent of all domestic meters operated by large energy suppliers.

The number of smart meters operating in smart mode at the end of quarter one 2016 (2.75 million) is more than the cumulative installed to date (2.61 million) by the large suppliers. These numbers are not comparable due to the transition of suppliers between the small and large classifications used in this report. Where installation data have been published previously, they have not been transferred across to the supplier's new classification. Operational totals are reported at the end of each quarter (large suppliers) or year (small suppliers) and therefore reflect current classifications. Other reasons operational and installation figures may differ are included in the methodology note for this publication.

It should be noted, the total number of domestic meters in operation is seen to fluctuate between quarters. This occurs for a variety of reasons: for example, meter installations in new buildings, building demolitions and customers switching to and from small energy suppliers.

⁸ see Table 2a in accompanying tables: <https://www.gov.uk/government/collections/smart-meters-statistics>

Chapter 3: Non-domestic Smart Metering

This chapter reports on the latest number of smart and advanced meters installed in smaller non-domestic sites during the first quarter of 2016 by large energy suppliers; and the number of meters operated by large suppliers as at 31 March 2016.

Also presented here are the latest smart and advanced meter installation activity reported by small energy suppliers during the full 2015 calendar year⁹.

Detailed breakdowns on installation and operating figures can be found in the accompanying tables to this report, available at:

<https://www.gov.uk/government/collections/smart-meters-statistics>

3.1 Installations in smaller non-domestic sites

In the first quarter of 2016, there were 18,900 smart and advanced meters installed in smaller non-domestic sites by large energy suppliers (of which 14,900 were advanced meters and the rest smart meters). This represents a 26 percent decrease in overall smart and advanced meter installations compared to quarter four 2015.

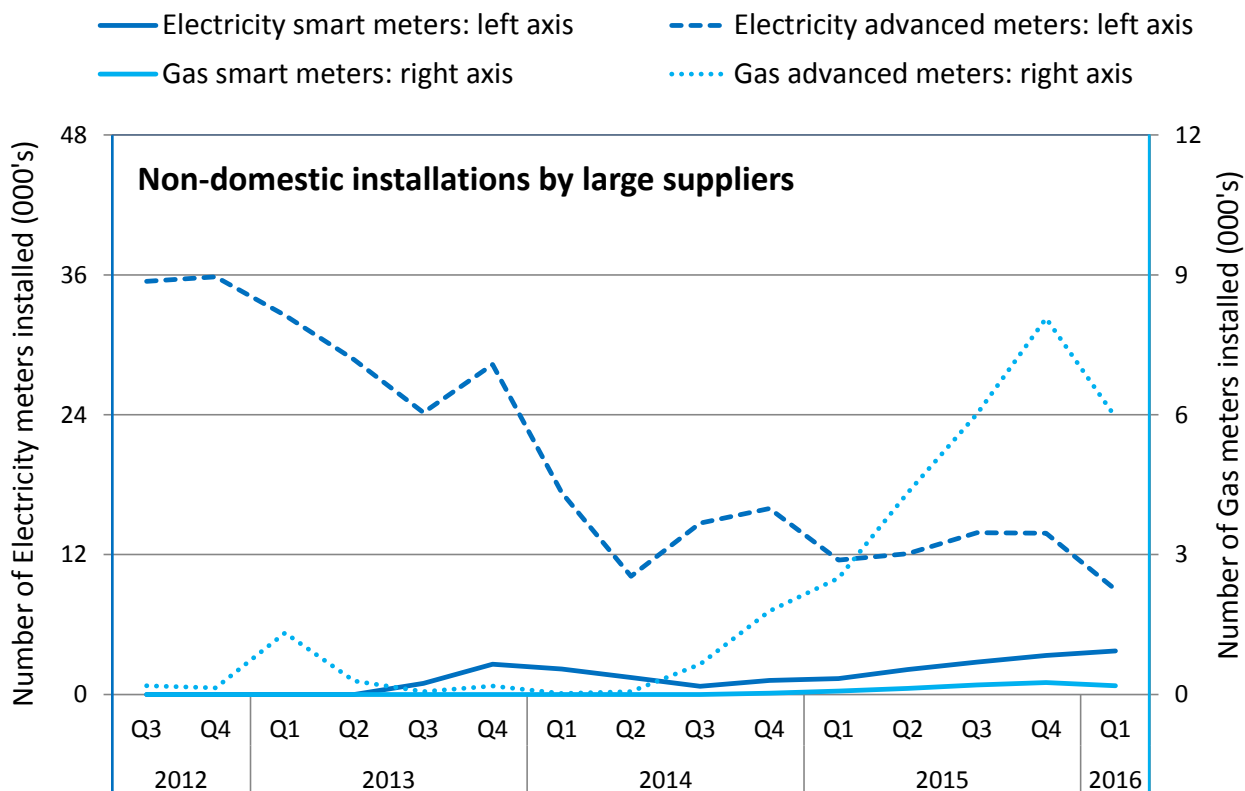
As seen in Figure 2, the number of non-domestic smart and advanced meter installations across the quarters has fluctuated. This is primarily a result of energy suppliers utilising the Foundation Stage to plan their own installation strategies and refining their reporting methods and back-end systems to provide more accurate information on their non-domestic meter portfolio.

Advanced meters still comprise the majority of electricity meter installations in the non-domestic sector, with over twice as many advanced electricity meters installed for every one smart electricity meter installation in quarter one 2016.

Similarly for every smart gas meter installation in quarter one 2016, over 30 advanced gas meters were installed by the large energy suppliers in the non-domestic sector.

⁹ Note, a repeat of the small supplier statistics are presented from the last quarterly publication for completeness, as these are collected on an annual basis, with 2015 being the most recent period.

Figure 2: Number of smart and advanced meters installed by large energy suppliers in smaller non-domestic sites, by fuel type and quarter



Note, the above chart excludes historic data which can be found in the accompanying Excel Tables 3a, 3b and 3c.

3.2 Operational meters in smaller non-domestic sites

As of 31 March 2016, there were a total of 2.62 million meters operated by large energy suppliers in smaller non-domestic sites in Great Britain. 2.15 million of these meters are electricity meters and 0.46 million are gas meters.

The total number of meters in operation in smaller non-domestic sites is seen to fluctuate between quarters. This occurs for a variety of reasons: for example, meter installations in new buildings, building demolitions and customers switching to and from small energy suppliers who do not operate smart meters in smart mode.

The total number of smart and advanced meters in operation is defined as the number of smart and advanced meters which energy suppliers are operating in smart mode, or with advanced functionality, at the end of each quarter.

At 31 March 2016, there were 569,300 (44,300 gas and 525,000 electricity) non-domestic smart and advanced meters operating in smart mode or with advanced functionality by large energy suppliers. This represents one in five of all non-domestic meters operated by large energy suppliers.

Annex A: Data and processing

Energy Suppliers

The table below lists the energy suppliers included in the analysis for this report.

Large Energy Suppliers:

- British Gas
- E.ON
- EDF Energy
- First Utility
- Npower
- Ovo Energy
- Scottish Power
- SSE
- Utilita
- Utility Warehouse

Small Energy suppliers

- Axis for Business
- Better Energy
- Bulb
- Business Energy Solutions
- Contract Natural Gas
- Co-operative Energy
- Corona Energy
- Crown Gas and Power
- D-Energi
- Dong Energy
- Dual Energy
- Economy Energy
- Economy Gas
- Ecotricity
- E-Energy
- Extra Energy
- Flow Energy
- Gaz Prom
- GB Energy Supply
- GDF Suez Energy
- Gnergy
- Go Effortless Energy
- Good Energy
- Green Energy
- Green Star Energy
- Haven Power
- Hudson Energy
- iSupply Energy
- LoCO2 Energy
- Opus Energy
- Regent Gas

- Robin Hood Energy
- Smartest Energy
- Spark Energy
- TEG
- Total Gas and Power
- Utilia (small supplier at 31 December 2015)
- Zog Energy

Experimental Statistics

These data are released as Experimental National Statistics, this means they are new statistics and have not undergone the full evaluation process that is required for National Statistics. They are published in order to involve users and stakeholders in their development and as a means to build in quality assurance during development.

More information on the methodology is included in the accompanying Methodology note:

<https://www.gov.uk/government/collections/smart-meters-statistics>

As with any new data collection, there are likely to be some data quality issues to resolve as the process beds in. Therefore, data in the quarterly reports should be treated as provisional and subject to revision.

Any revisions will be marked in the data tables and for any significant revisions we will provide an explanation of the main reasons.

