



Department for
Energy Security
& Net Zero

Non-domestic smart meter contingent contracts: industry best practice sharing principles

Living output

Non-Domestic Working Group – March 2024

Context (1)

Smart meters are replacing traditional gas and electricity meters in small businesses and public sector sites across Great Britain as part of an important upgrade to the national energy infrastructure and underpinning the cost-effective delivery of Government's net zero commitment. The rollout of smart meters to non-domestic sites within the mandate is estimated to lead to £1.5 billion of energy consumption reductions, driven by these consumers engaging with their smart meter data and identifying ways to reduce their energy use.

Between 2021 and 2025 energy suppliers have binding, annual smart metering installation targets (the Targets Framework). As part of the government response to the consultation on the [Smart Meter Targets Framework: minimum installation requirements for Year 3 \(2024\) and Year 4 \(2025\)](#), the Government confirmed separate binding domestic and non-domestic targets for mixed portfolio energy suppliers in Year 3 and Year 4 of the Framework, reiterating that focus on both domestic and non-domestic rollouts is necessary to achieve net zero and other rollout benefits.

The Government also noted:

- The increasing number of non-domestic energy suppliers whereby smart is becoming a default aspect of meter recertification, or a requirement of contract onboarding or renewal.
- That energy suppliers already have commercial flexibilities to develop their business-to-business offerings in innovative ways to drive smart meter uptake.

Context (2)

With this in mind, the Government committed to engaging with energy suppliers to develop industry best practice sharing principles regarding smart meter-contingent contracts and tariffs in the non-domestic sector. Such principles will help ensure that non-domestic energy suppliers remain on a level playing field in maximising market flexibilities to drive uptake, whilst ensuring that obligations towards non-domestic energy customers (including microbusiness protections) are met.

This output therefore sets out such principles, which have been developed in collaboration with industry via the Non-Domestic Working Group (the NDWG) to deliver that commitment. It remains a working product and is subject to further development and best practice sharing via the NDWG as the non-domestic market for smart meter products and services develops.

For any questions or queries relating to the product please contact smartmetering@energysecurity.gov.uk

Non-domestic smart meter contingent contracts best practice principles (1)

Principle- the “what”	Principle- the “how”
Fair customer access Ensure that the implementation of non-domestic smart meter contingent tariffs and contracts does not unfairly disadvantage customers for factors outside of their control.	In instances where a non-domestic customer requests, or signs up to, a smart meter contingent tariff or contract but due to reasons outside of their control is unable to have a smart meter installed it would be considered best practice to still grant access to the tariff/contract and install a smart meter as soon as it is feasible to do so. Reasons outside of the customer’s control may include any issues with technical eligibility, supplier operational fulfilment of the smart metering installation or customer-related issues that could not have been foreseen when the customer signed up.

Non-domestic smart meter contingent contracts best practice principles (2)

Principle- the “what”	Principle- the “how”
Proportionate customer enforcement Any compliance measures taken in respect to a non-domestic customer not installing a smart meter after signing up to a smart meter contingent tariff or contract should be proportionate and in full compliance with licence conditions	In circumstances where an out of contract rate or tariff increase is applied for breach of terms of contract these should be clearly specified up front. In circumstances where a deemed rate is applied for breach of terms and conditions these should consider the customer that is being served and not be unduly onerous on the customer.

Non-domestic smart meter contingent contracts best practice principles (3)

Principle- the “what”	Principle- the “how”
Customer awareness The non-domestic customer should be made fully aware of the terms and conditions of any smart meter contingent tariff or contract that they sign up to with the supplier taking steps to bring the contract information (including any requirement to have a smart meter installed or a supplier’s right to change contractual terms mid-contract) to the attention of the business, communicating in plain and clear language.	Customers should be clearly informed of any relevant consequences if they sign up to a smart meter contingent tariff or contract and do not proceed with the smart meter installation. In instances where a non-domestic customer requires a smart meter to renew a contract or be eligible for a tariff they should be made aware of this in a form, and at a time which leaves a reasonable period, for them to make an informed choice prior to contract renewal.

Non-domestic smart meter contingent contracts best practice principles (4)

Principle- the “what”	Principle- the “how”
Customers served by Third Party Intermediaries Third Party Intermediaries (TPIs) should be made fully aware of the existence of, and terms and conditions of, any smart meter contingent tariffs or contracts that the supplier offers to their non-domestic customers. Suppliers should ensure that TPIs fully relay and communicate these terms and conditions, and the relevant consequences of not adhering to these terms and conditions, to the TPI’s non-domestic customers.	TPIs should be clearly informed of any relevant consequences of a non-domestic customer signing up to a supplier’s smart meter contingent tariff or contract and not proceeding with the smart meter installation. Suppliers should put in place arrangements with TPIs any necessary steps to facilitate the installation of the smart meter to the non-domestic customer, should the TPI’s customer choose to enter into a non-domestic smart meter contingent tariff or contract that the supplier offers. This may include, but not be limited to, incentivising the sharing of customer contact details to facilitate the installation.