

Email: smartmetering@ofgem.gov.uk

Date: 18 February 2010

Dear Stakeholders,

Smart Metering Implementation Programme – Rollout Workshop 22 February 2010

We have attached a summary of information that we plan to use as the basis for discussions at our Smart Meter Rollout Workshop.

There are a number of future challenges that we need to consider as part of this workshop which we plan to tackle with the following questions:

- What options for promoting or requiring local co-ordination would promote consumer engagement within an economic and efficient smart meter roll out plan?
- How could other carbon-reduction and smart grid initiatives be aligned with a supplier led smart meter roll out plan?
- What options are there for accommodating meter changes for other reasons (e.g. consumer pull, policy replacements) within a smart meter roll out plan?
- What are the expected consumer concerns about the smart meter installation? - how can these concerns be addressed?
- How can the installation of separate gas and electricity meters (by one or more suppliers) at each consumer premises be coordinated to minimise disruption to the consumer?

The following information is included: -

- information about workshop structure, and
- suggested discussion material for workshop breakout sessions including a spectrum of options for smart meter rollout and some sample questions that may be used to help stimulate discussion.

Invitations were issued for this event which is now fully subscribed. We ask that workshop participants to consider this material before the workshop.

We would also welcome views from other stakeholders who are invited to submit written comments to us at smartmetering@ofgem.gov.uk ahead of the workshop.

Yours sincerely

BRIDGET MORGAN
Head of Smart Metering Delivery

1. Workshop Structure

During the day, time will be allowed for full workshop group sessions but also smaller breakout group sessions. There will be four breakout sessions (Consumer Experience, Drivers for Meter Change, Exchanging Meters and Practical Challenges). Each workshop participant will be allocated in advance to a specific group. Our aim is to ensure that a range of interests are represented in each breakout group.

We plan to use the morning session of the workshop to focus on current experience from metering installations and how that experience can inform the development of proposals for a strategy for the smart meter roll out. The following summary provides guidance as to some key questions for consideration by each breakout group during the morning session:

- **Consumer experience**
 - What are the main issues and opportunities for affecting consumer experience when meters need to be changed?
 - How are issues tackled and opportunities taken to ensure a positive consumer experience?
 - Which of these issues will apply to the smart meter roll out?
 - What is different for the smart meter roll out?
- **Drivers for meter change**
 - What are the drivers for meter change?
 - What are the considerations for different consumer groups and premises?
 - Which of these issues will apply during the smart meter roll out?
 - What is different for the smart meter roll out?
 - Is there a need for smart meter roll out specific incentives?
- **Exchanging meters**
 - What planning activities are undertaken in developing meter plans?
 - How is resource availability secured to meet meter change plans?
 - What level of local coordination is achieved without explicit requirements?
 - Which of these issues will apply to the smart meter roll out?
 - What is different for the smart meter roll out?
- **Practical challenges**
 - What types of practical challenges can prevent / delay the change of meters at a consumers premises?
 - How can these practical challenges be managed?
 - Which of these issues will apply to the smart meter roll out?
 - What is different for the smart meter roll out?

We plan to use the afternoon session to consider a spectrum of options for the roll out of smart meters. Breakout groups will also be asked to identify and test the comparative strengths and weaknesses of options within the spectrum of option (and if necessary outside of the spectrum of options). The following summary provides guidance as to some questions for consideration by each breakout group during the afternoon:

- **Consumer Experience**
 - What will make smart meter installation a positive experience?
 - Will consumers feel safe and trust the smart meter roll out process?
 - What is needed to help consumers understand and be able to realise the benefits of smart meters that can be achieved by changing behaviour?
 - How should consumers be engaged?
 - What measures would encourage consumers to allow access for a smart meter installation visit?

- **Drivers for Meter Change**
 - What framework is needed to accommodate different drivers (e.g. consumer pull, smart grid developments) for changing meters during the smart meter roll out?
 - How could the smart meter roll out strategy be defined to better deliver carbon reduction and network benefits?
 - What measures are needed to deliver local co-ordination within the smart meter roll out?

- **Exchanging Meters**
 - How can local coordination be best achieved while maintaining overall efficiency of smart meter roll out?
 - What consequences on competition in metering and supply could arise from coordinated supplier smart meter roll out plans?
 - Are there potential bottlenecks within the supply chain that could increase timescale or cost?
 - What volume of change is needed for efficiency?
 - What are the impacts of different approaches to coordination of supplier led smart meter roll out plans on resources?

- **Practical Challenges**
 - How would complex locations (e.g. tower blocks) with multiple consumers with multiple suppliers be handled?
 - What options are available for managing WAN, meter or DNO dependencies?
 - What approaches are possible for in home displays within each premises with two separate suppliers?

2. Discussion material

a. A spectrum of potential options

| Activity | Market Led | Facilitated | Mandated |
|--|---|---|---|
| Customer pull | Managed by supplier | Encouraged | Type of response mandated |
| Roll out plan | Supplier Led – GOVERNMENT DECISION | Supplier Led – GOVERNMENT DECISION | Supplier Led – GOVERNMENT DECISION |
| Roll out strategy | Rely on existing market arrangements to deliver local coordination | Includes measures to facilitate coordination (e.g. local) between supplier led plans | Requires coordination between supplier led plans |
| Continued testing and trialling | Rely on existing market arrangements | Facilitate coordinated testing and trialling | Require coordinated testing and trialling as a pre-condition before starting full roll out |
| Communications with customers | Supplier communications only | Central communications strategy developed and managed by independent body. Supplier specific marketing permitted. | Centrally controlled or approved communications only |
| Compliance monitoring | Reporting of progress towards overall mandate at interim stages and rely on exception reporting/ complaints | Reporting requirement at defined milestones with incentive mechanism | Defined targets in terms of penetration and time intervals with specific incentive/penalty mechanisms |
| Governance | Minimal changes (if any) to current framework needed | Changes needed to define roll out specific roles and responsibilities (e.g. duty/ permission to cooperate in certain circumstances) | Independent body required to oversee and facilitate delivery by all suppliers |

b. Some sample questions to stimulate debate at breakout sessions

Consumer experience – Morning session

- Do consumers understand why meters need to be changed?
- How is the “reason for change” positioned and communicated to consumers?
- What are the key “do’s and don’ts” for a successful meter installation visit?
- Are different communication approaches used for different customer groups?
- Would existing issues and mitigating measures apply to installation of smart meters?
- Are there additional considerations for the smart meter roll out?

Consumer experience – Afternoon session

- What does “smart meter” mean to consumers?
- What do consumers expect from a smart meter?
- What concerns are associated with a smart meter roll out? How can these concerns be addressed?
- What information should/can be presented to consumers during a smart meter installation visit?
- What are the likely effects on consumers of including other marketing material during a smart meter installation visit?

Drivers for meter change – Morning session

- How do you work to meet the obligations with regard to hard to reach consumers?
- What are your considerations around commercial interoperability?
- What are the differences between domestic and non-domestic consumers?
- Would existing issues and mitigating measures apply to installation of smart meters?
- Are there additional considerations for the smart meter roll out?

Drivers for meter change - Afternoon session

- Why and how would a smart meter be installed?
- What sorts of measures are needed to achieve local coordination?
- Do you expect there to be any set obligations with regard to hard to reach consumers?
- How would you work to meet the requirement to roll out smart meters in terms of managing the volume and meeting targets?
- What are your concerns around interoperability of devices within consumer premises and the interface with the central communications provider?
- What differences do you envisage between domestic and non-domestic consumers?

Exchanging meters – Morning session

- To what degree does local coordination between suppliers take place; are there existing geographical variations in terms of service providers used?
- What is your present rollout profile / model?
- How do you plan to improve chances of a successful meter installation visit (i.e. to maximise chance of getting through the front door on first visit)?
- What are the differences in approach in meter installations for domestic and non-domestic consumers? - would existing issues and mitigating measures apply to installation of smart meters?
- Are there additional considerations for the smart meter roll out?

Exchanging meters – Afternoon session

- What approach would you recommend should be used for smart meter roll out plans?
- What would improve chances of a successful meter installation visit as part of the smart meter roll out?
- What are the expected differences in approach for smart meter installations for domestic and non-domestic consumers?

Practical challenges – Morning session

- What are the issues and problems associated with installation of current metering equipment in domestic and SME premises?
- How are these issues managed?
- Would existing issues and mitigating measures apply to installation of smart meters?
- Are there additional considerations for the smart meter roll out?
- What are likely to be the most common issues that need to be managed during the smart meter roll out?

Practical challenges – Afternoon session

- How could existing measures for managing practical installation issues need to be developed for smart meter roll out?
- How would local coordination between supplier smart meter roll out plans improve options for managing practical installation issues (such as getting access to premises)?
- What additional measures are needed to manage smart meter installation specific issues?