

The background of the slide features a large, semi-transparent white arrow pointing to the right. Behind the arrow, there is a blurred image of a modern building with a glass facade and a close-up of a white ceramic gas meter. The overall color palette is light and airy, with soft blues and whites.

# Stakeholder Workshop Smart Meter Roll Out

22 February 2010  
Bridget Morgan

# Smart Meter Roll Out Workshop

## Structure of Day

- |       |   |
|-------|---|
| 10:00 | Welcome and introduction to morning session<br>Existing arrangements – breakout sessions<br>Feedback to all |
| 12:30 | Lunch   |
| 13:30 | Introduction to afternoon session<br>Smart meter roll out – breakout sessions<br>Feedback to all            |
| 16:00 | Closing remarks   |

# The Government's views on approach to smart meter roll out

*From December 2009 Government Response document*

## **The Government believes that:**

- The smart meter roll out should be supplier led
- Strong positive engagement among local communities will be particularly powerful in generating the necessary awareness, enthusiasm and take up
- Managing the roll out, so that as many people as possible in local communities receive their new meters at the same time will be advantageous in generating awareness and enthusiasm for smart meters
  - **The Government therefore intends to develop measures to promote coordination of deployment of smart meters at local level**
- The full range of stakeholders will need to be involved in the smart meter roll out as it is taken forward
  - **The smart metering implementation programme will consider linkages between smart meter roll out and other Government initiatives including the development of smarter grids, measures to tackle fuel poverty and the wider Heat and Energy Savings Strategy**

## Updated Responses Following Government Decisions

- Wide range of views presented in relation to smart meter roll out
- There remain questions about how:
  - Consumers can be best engaged with aims of smart metering implementation programme
  - Each consumer can be best engaged and protected during a smart meter installation visit
  - Local coordination during smart meter roll out can be best achieved
  - Network company requirements from the smart metering system will be accommodated as part of the smart meter roll out

## Focus for Scoping Phase

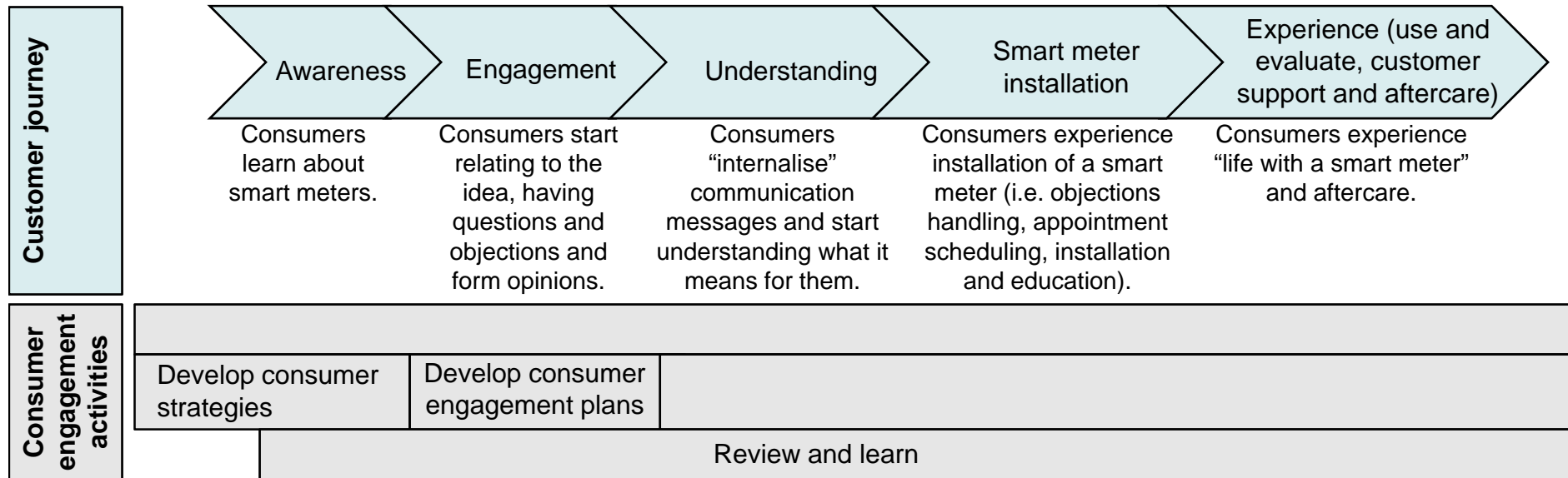
## There are a number of challenges to consider

- 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?

## There is a spectrum of potential options

Activity	Market Led	Facilitated	Mandated
<b>Customer pull</b>	Managed by supplier	Encouraged	Type of response mandated
<b>Roll out plan</b>	Supplier Led – <b>GOVERNMENT DECISION</b>	Supplier Led – <b>GOVERNMENT DECISION</b>	Supplier Led – <b>GOVERNMENT DECISION</b>
<b>Roll out strategy</b>	Rely on existing market arrangements	Includes measures to facilitate coordination (e.g. local) between supplier plans	Requires coordination between supplier led plans
<b>Continued testing and trialling</b>	Rely on existing market arrangements	Facilitate coordinated testing and trialling	Require coordinated testing & trialling as a pre-condition before starting full roll out
<b>Communications with customers</b>	Supplier communications only	Central communications strategy developed & managed by independent body. Supplier specific marketing allowed	Centrally controlled or approved communications only
<b>Compliance monitoring</b>	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
<b>Governance</b>	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

# Stages of Consumer Engagement





# Stakeholder engagement



## Context

### Phase 1 outputs

- Statement of design requirements
  - Commercial and regulatory framework
  - Central data/communications model
  - **Roll out approach**
  - Implementation strategy
- One in a series of workshops
    - **Roll out,**  
22 Feb
    - Functional specification,  
1 Mar
    - Central data/communications,  
8 Mar
    - Implementation strategy,  
15 Mar

Workshop provides an opportunity to contribute to and help test our initial thinking for Phase 1 outputs

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## Approach

- Four different angles and groups for the discussions:
  - Consumer experience
  - Drivers for meter change
  - Exchanging meters
  - Practical challenges
- Each group will need a chair and a scribe
- Chair to feed back results of discussions to the main group
- Ofgem staff are on hand to facilitate discussions as needed
- Ofgem will not be producing detailed minutes for the workshop
- Headlines of the discussions at main feedback sessions will be published as soon as possible after the workshop

## Aims for the day

### Morning session

Capture of experience relevant to smart meter roll out, from meter change work currently undertaken

- What are the issues?
- How are these issues managed?
- What works really well?
- Are current solutions valid for the smart meter roll out?
- What needs to be improved for the smart meter roll out?

### Afternoon session

- Identifying and testing of possible options for roll out of smart meters

## Morning Breakout Sessions

*Looking at today with the future of smart metering in mind*

### Consumer experience - Room 9

- What are the main issues when meters need to be changed?
- How are issues tackled and opportunities taken to ensure a positive consumer experience?
- Will these apply to the smart meter roll out?
- What is different for the smart meter roll out?

### Exchanging meters - Room 4

- What planning activities are undertaken in developing meter plans?
- How is resource availability secured?
- What level of local coordination is achieved?
- Will these apply to the smart meter roll out?
- What is different for the smart meter roll out?

### Drivers for meter change - Room 3

- What are the drivers for meter change?
- Considerations for different customer groups and premises?
- Will these apply to the smart meter roll out?
- What is different for the smart meter roll out?
- Are smart meter roll out incentives needed?

### Practical challenges - Room 6

- What types of practical challenges can prevent / delay change of meter at a customers premises?
- How can these practical challenges be managed?
- Will these apply to the smart meter roll out?
- What is different for the smart meter roll out?

## **Feedback session**

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## Aim of the day

### Morning session

Capture of experience relevant to smart meter roll out, from meter change work currently undertaken

### Afternoon session

- Identifying and testing of possible options for roll out of smart meters
  - What are the options for smart meter roll out?
  - What are the pros and cons of each option?
  - What measures will best promote a coordinated approach?

## Afternoon Breakout Sessions

*Looking at options for smart meter roll out*

### Consumer experience - Room 9

- What options would enable a positive consumer experience?
- What will help develop consumer trust in the smart meter roll out process?
- What help do consumers need to be able to engage with energy reduction aims?
- What would encourage consumers to allow access for a smart meter installation visit?

### Exchanging meters - Room 4

- How can local coordination be best achieved while maintaining efficiency?
- What are the consequences on supply chain?
- What are the impacts of different approaches to local coordination?
- How can local coordination best be planned?

### Drivers for meter change - Room 3

- What framework is needed to accommodate different drivers for smart meter roll out?
- How can roll out strategy be defined to better deliver carbon reduction and network benefits?
- How can local coordination best be planned?

### Practical challenges - Room 6

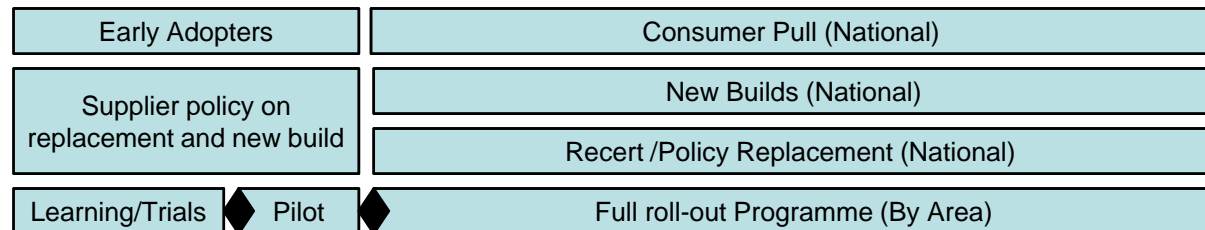
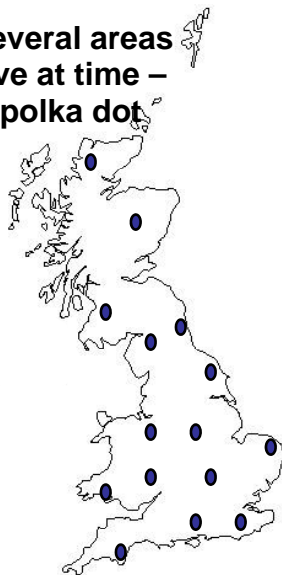
- How would complex locations (e.g. tower blocks) be handled?
- What options are needed to manage communications, meter of network operator dependencies?
- What are the possible options for in home displays?

## **Some examples of options within the spectrum**

## An area-based roll out led by suppliers that enables consumer choice

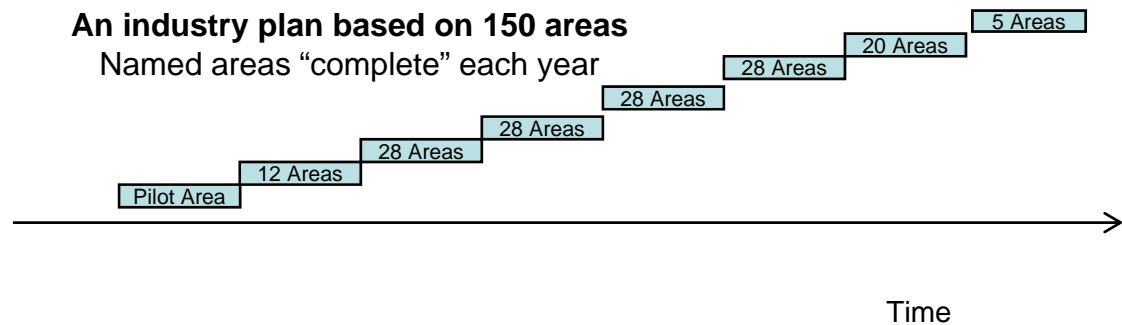
1. **Consumer Pull** – Consumers can request a smart meter
2. **New Builds** – New meter installations will be smart meters from a defined point
3. **Recert/Policy Replacements** – Obligations continue and installations will be smart meters from a defined point
4. **Area-based Roll-out** – All other smart meter installations will be on an area basis against an overall plan

Several areas  
live at time –  
polka dot



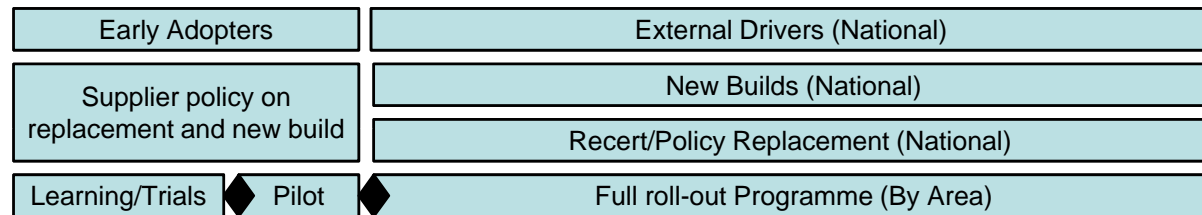
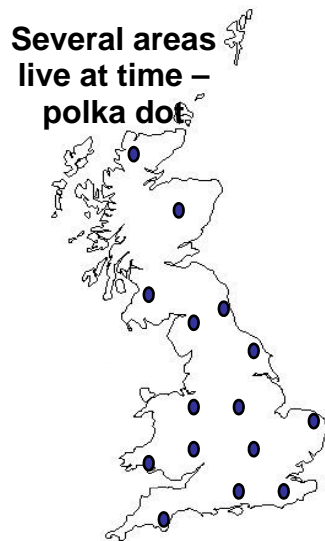
### An industry plan based on 150 areas

Named areas “complete” each year



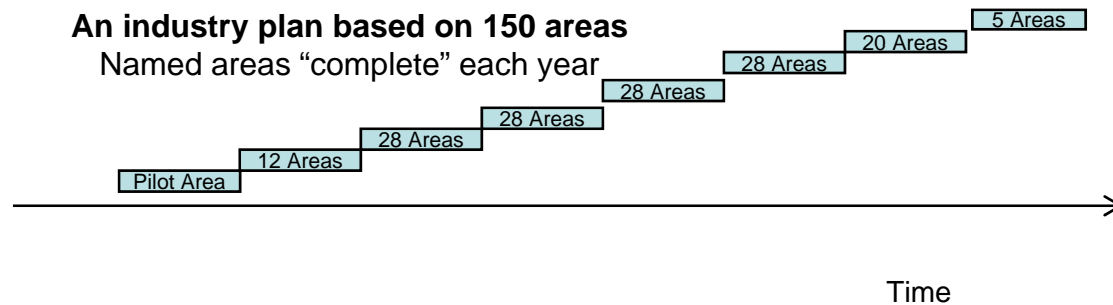
An area-based roll out led by suppliers that enables external drivers (consumer choice, DNO priority areas, specific priority groups)

1. **External Drivers** – Suppliers required to accommodate specific requests or requirements from external parties (network companies, consumers, Ofgem, government)
2. **New Builds** – New meter installations will be smart meters from a defined point
3. **Recert/Policy Replacements** – Obligations continue and installations will be smart meters from a defined point
4. **Area-based Roll-out** – All other smart meter installations will be on an area basis

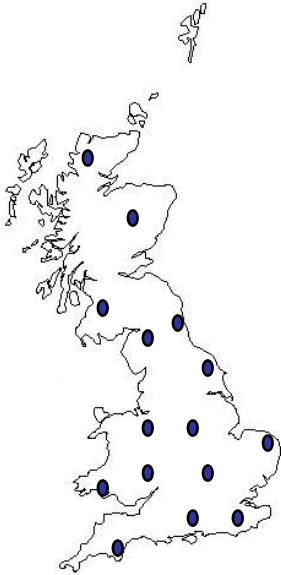


An industry plan based on 150 areas

Named areas “complete” each year



## An area based roll out centrally coordinated by an independent body



Polka dot areas  
split out within  
GB roll out plan

- A GB plan for area based roll out based on individual supplier roll out plans and priority area requests from network companies:
  - Compiled by a body that is independent of energy supplier and network company affiliations
  - With specific governance arrangements for managing GB plan during roll out period
- Performance targets and incentives based on GB plan requirements.

## Feedback session

## Closing remarks and Thank you

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Web: <http://www.ofgem.gov.uk/e-serve/sm/>





*ofgem*

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Promoting choice and value  
for all gas and electricity customers