

MEETING NOTE

Smart Metering Implementation Programme – Consumer Advisory Group

8 October 2010 at Ofgem, 9 Millbank, London

Present:

Advisory Group Members: Gretel Jones (Age UK), Will Anderson (Centre for Sustainable Energy), Holly Reilly (Consumer Focus), Derek Lickorish (FPAG), Fiona Cochrane (Which?), Gill Owen (PUAF)

Ofgem: Phil Sumner (Chair), Maxine Frerk, Neil Barnes (part), Adrian Rudd (part), Peter Morgan (part), Dora Guzeleva (part). DECC: Geoff Hatherick.

Items: 1 and 2: Welcome, Issues arising from the last meeting and Programme Update

The Group were updated on the progress of the programme. The Programme team were analysing over 150 responses it had received from interested parties to the first tranche of consultation documents for response at the end of September. The Programme team had held a number of expert working groups and workshops including on protections for debt and disconnection, and on the development of an Installation Code of Practice. These events had included members of consumer groups.

Members of the Group provided updates on recent activity. Consumer Focus plan to undertake some work on consumer attitudes on IHD messaging. Which? were undertaking some consumer research work looking at a range of issues including data protection. CSE updated on the Energy Demand Research Project (EDRP) which has entered into a new phase with the appointment of consultants, AECOM, undertaking statistical analysis of results.

Item 3: In Home Displays (IHD) and Functional Requirements

Adrian Rudd and Peter Morgan introduced a number of issues relating to smart meter and in-home display functional requirements, based on those contained in the Prospectus and arising from Working Group discussions.

Local data storage

The main issues for discussion were 'where should the data be stored (in the meter or IHD)' and 'who will have access to it'. It was explained that concerns has been raised in the Smart Meter Design Group (SMDG) about the cost of storing 12 months of half hourly data at the meter. The following points were made in discussion:

- The key Programme principle on data is that the consumer controls who can access it (except for regulated requirements such as for billing).

- The ability to have the 12 months worth of 1/2 hourly securely data stored was considered a key benefit for consumers.
- The Group considered that the data is better stored on the meter given that there is a risk that an IHD may not be universally used by consumers on an enduring basis.
- It was clarified to the Group that if the design is for data to be stored in the meter, consumers would be able to get hold of the information in the meter, via the home area network through the IHD or other equipment (home PC or TV).
- A member of the Group also considered that information provided through the meter would need to cover micro-generation and Feed in Tariffs. Additionally information linked to Green Deal could be useful to have stored.

'Last Gasp' functionality

This functionality would allow a signal to be sent to suppliers and network operators if supply is interrupted together with a subsequent resumption in supply. Currently the network companies rely on consumers calling them with regard to an interruption when it happens. It was explained that concerns had been raised in the SMDG about the cost of providing this functionality. Members of the Group raised the following issues.

- Whether there was a specific consumer advantage in having this functionality given that consumers knew when their power was off. It was, however, considered there may be some merit in more remote rural areas.
- In some individual cases, such as single more isolated properties a single alarm could be sent. Where there is an interruption covering a number of properties (200 -300) a single, consolidated signal could come from an installation at a sub-station. There was a risk that systems would have difficulty coping with several hundred or more alarms being received from individual meters.
- The meter would store information about interruptions which could be used eg for monitoring network performance against standards – 'last gasp' functionality was not needed for this.

IHD messaging and update rate

It was explained that SMDG had proposed additional functionality to enable messages to be sent via the meter and that they had raised concerns about the feasibility of meeting the requirement for a 5 second refresh of electricity usage. Issues around the ability to allow messages through the IHD and the frequency of message updates were considered by the Group:

- Evidence from the Energy Demand Research Project (EDRP) generally shows that IHDs are well used when first installed but not so well used over time, which has an implication in terms of using them for key messages.
- It was considered important that any messages from the DNO providing advanced notice of an interruption, should not be given solely through the IHD, (although

this would be useful), as it may not be read or the consumer may not be using the IHD. Additional communication put through the customer's door would still be required.

- The Group did not support the IHD messaging functionality being used for marketing or sales activity unless the consumer gave permission, with 'opt-in' considered as a key principle. There should not be excessive levels of messaging and also protection against spam.
- Some of the Group considered that the continued use by consumers of the IHD over time who, for example, pay monthly could encourage the development of new products such as of Time of Use tariffs.
- On the rate at which electricity information provided through the IHD is updated, it was considered a 10 second period between updates may be too long if customers want to see changes in consumption as they switched on or off appliances. However, the key requirement was that it should be very clear to consumers what to expect. The EDRP could be a good source of further information on consumer behaviour and expectations on this.

Item 4: Consumer Engagement

Neil Barnes introduced the issue of consumer engagement with smart meters, and the potential approaches to promote delivery of consumer benefits at various stages of the rollout programme. The following points were raised:

- Some of the Group considered that there may be merit in initially using a 'consumer pull' approach where early consumer messages might not explicitly mention smart meters but focus more on the benefits of managing energy consumption. However, it was noted that some 'hard to reach' customers would be reached early in the rollout (eg. due to meter replacements/exchanges). As such, appropriate support for these customers would need to be in place early.
- It was considered that there could be advantage in a trusted 'common brand' to use when managing customer queries and providing information and support.
- The Group also felt there could be some advantage in representatives of local trusted third parties becoming local 'champions' through being early adopters and helping others through the process from experience.
- The view was expressed that there were two distinct aspects to consumer engagement. Firstly, the process about gaining access to a customer's premises to install the meter. Secondly, messages around engagement with energy issues, which should include a range of approaches, tailored to particular consumer types, in terms both of the message and how it is delivered.
- A range of views were expressed about the appropriate focus and timing of any consumer engagement. One view was that there would be plenty of opportunities to engage consumers after the smart meter is installed. Early messaging should therefore focus on the efficiency of deployment – presenting information simply and not overcomplicating the message – and that trying to do both at the same time would risk the delivery of both.

- Others felt that the installation visit was an important opportunity to engage customers and should not be missed. The Group acknowledged that the installation process could be an important vehicle to give information that would promote engagement, for instance Information about the use of the IHD. The provision of energy efficiency advice was also seen as particularly relevant for some given the proposed introduction of the 'Green Deal'.

Installation code of practice

- While issues around the provision of advice and consumer engagement and messaging could be covered by Codes of Practice, it was acknowledged that an overly uniform approach may not work given consumer requirements and that experiences may differ. That said, it would be important to develop a common position among the industry, Ofgem and consumer groups to help in managing consumer expectations around what smart metering does and will deliver (including the level of savings and potential problems). Avoiding consumer confusion was seen as important.
- It was suggested that suppliers should be obliged to provide customers with an information pack at the point of installation. However, development of such a 'pack' should not be supplier led. It could be led by one of the expert bodies (such as the EST) in this area with joint branding with suppliers. It would be important to learn the lessons in this area from EDRP where there was a mixed quality of customer communications. Some best practice should be investigated which should also investigate the accessibility of this material (including translation into other languages).

Item 5: Data Communications

Dora Guzeleva updated the Group on the Central Data and Communications Company (DCC) in particular the possibility of a 'time lag' between the start of smart meter installation and the DCC going live which could impact on the consumer experience.

- The Group expressed some concern that this could have an adverse impact on the expected switching process.
- It was important that whatever system operated in the interim that there was sufficient consumer confidence in the processes and resulting outcomes.
- Concern was expressed around pre-payment functionality that, if smart meters are installed without DCC communications in place, these will not be able to be used for pre-payment on change of supplier, even in 'dumb' mode.

Item 6: AOB

No further items were raised.

