Workshop on smart metering issues in the smaller non-domestic sector

22nd November 2010

N.B. Content does not represent a preferred option or view by Ofgem/DECC.

Smart metering design issues

- The group considered the change of supplier process. Some attendees suggested that barriers to switching arise when there is no commercial agreement to take over Advanced Meter Reading (AMR) equipment, or where a supplier is unable to accept data from metering equipment because of interoperability issues.

- Attendees agreed that on switching the incoming supplier should be informed if the consumer uses an Advanced Meter Reading (AMR) service provider. Currently this information is only provided if the consumer specifies that they want to continue to use the existing provider. Normally the supplier will accept reads if the provider is a signatory to the Automated Meter Reading Service Providers Code of Practice for Gas Meters (ASPCoP). On this point it was highlighted that suppliers have churn contracts with multiple service providers. However, there were mixed views on whether the incoming supplier should be required to adopt the existing provider.

- The group felt that these issues might be less relevant for smart metering, as consumers would default to the supplier's service provider for reads, data aggregation and collection as well as data logging.

- It was also noted that the ASPCoP is voluntary. Some attendees felt that making it mandatory would provide greater certainty in the market – ie there would be a baseline, so on change of supplier incoming suppliers could have confidence about the metering equipment.

- The group discussed pulse outputs and the home area network (HAN). There was consensus that the key is not to mandate a pulse output but not to preclude kit/systems which are designed to use pulse. The group felt that further work was needed to assess whether the technical specifications should require a pulse output or provide for equipment that converts HAN outputs to pulses. It was suggested that the latter option might raise security concerns.

- The group also discussed access to data. Some attendees felt that there should be a central accreditation process for service providers. This would provide certainty that the service provider is able to retrieve data from the HAN. It was noted that the security and integrity of the metering system is paramount and a technical solution that enables one-way extraction of data is still be discussed.

Communications and data management issues

- The group focused on whether all communication with smart and advanced meters in the smaller non-domestic[1] sector should be undertaken through the central data and communications body - DataCommsCo (DCC). Some attendees expressed concern that only DCC will be able to remotely read the meter via the Wide Area Network (WAN). It was felt that this might prevent metering agents from providing meter readings to suppliers.

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[1] In the Prospectus, we defined smaller non-domestic customers as non-domestic electricity customers with meters on profile classes 5 to 8 and non-domestic gas customers with consumption of 732 MWh to 58,600 MEh per year.

- Ofgem explained that it will be possible to access consumption data locally via the HAN. Some attendees felt that to address security concerns DCC could accredit third parties to access data and communicate with the meter via the HAN.

- The group discussed how DCC could support the development of smart grids. Some attendees argued that DCC should be the single interface between network users and the network companies. Other attendees felt that an alternative approach would be to accredit service providers to provide data to network companies.

Rollout issues

- The group discussed the obligations that might be placed on suppliers to deliver rollout. There was an expectation that suppliers would have an obligation to install smart meters to their smaller non-domestic customers by a specified target date. Attendees were also broadly comfortable with the concept that suppliers would be subject to a new and replacement mandate.

- The group also discussed the potential for setting enforceable interim targets. Attendees were concerned about how such targets would take account of customer churn, particularly when a customer might have multiple metered sites. Concerns were also expressed that access to supply chain issues may prevent smaller suppliers from meeting early targets.

- Attendees requested clarity on the proposed exceptions for advanced metering around April 2014. One of these exceptions allows meters without smart functionality to remain where advanced metering is installed before April 2014 and the customer wishes to retain it. Attendees suggested that requiring suppliers to respond to customer requests for smart meters after April 2014 would create uncertainty and inhibit the installation of advanced metering. Instead, suppliers should have until the end of the rollout to install a smart meter if the customer does not want to retain an advanced meter. In the event that their supplier was not willing to provide a smart meter on request, customers would have the option to change supplier subject to contractual terms.

- The group also discussed the proposal for an installation code of practice. It was felt that a code must take account of the different types of smaller non-domestic customers. For example, attendees felt that a key issue for smaller non-domestic customers is interruption of supply. Other suggested topics for inclusion were a redress procedure and advice on how to deal with safety issues identified at point of installation.

Other consumer issues

- The group discussed concerns around remote disconnection. One attendee noted that prior to disconnection of supply, suppliers must currently obtain a warrant to enter the customer's property. It was suggested that before remotely disconnecting a customer with a smart meter, it would be sufficient for suppliers to demonstrate they have followed the same checks and procedures that they undertake today to obtain a warrant. Attendees also highlighted that consideration may need to be given to those meters in blocks of flats which provide essential services and are classified as smaller non-domestic sites.

- The group also considered remote switching to prepayment mode. It was felt that consumers would need to be provided with appropriate information on how to use the meter in prepayment mode. In addition, attendees argued that customers should only be switched to prepayment where it is safe and reasonably practicable to do so.

- The group noted the particular issues around notifications for some non-domestic customers. If notice was provided to the head office department responsible for bill payment then staff at the local site may not be aware of impending disconnection for example.

Consumer engagement

- Attendees suggested that there is already awareness of smart and advanced metering among many smaller non-domestic customers. The group felt that accurate billing is the key benefit for these customers. The potential to make energy savings may be less important as some smaller non-domestic customers are less able to reduce their consumption. On this point, it was noted that some consumers may also need convincing that smart metering can enable savings.

- The group considered how best to reach smaller non-domestic customers. It was felt that local press and radio are effective channels for communication, as well as the internet.