MEETING NOTE

Smart Metering Implementation Programme – Consumer Advisory Group

16 December 2010 at Ofgem, 9 Millbank, London

Present:

Advisory Group Members: Gretel Jones (Age UK), Zoe McLeod (Consumer Focus), Derek Lickorish (FPAG), Fiona Cochrane (Which?), Gill Owen (PUAF)

Ofgem: Phil Sumner (Chair), Maxine Frerk, Neil Barnes (part), Jonathan Blagrove (part), Jonathan Amos (part), Dora Guzeleva (part), Colin Sawyer (part). DECC: Michael Harrison.

COI: Graham Brown (part).

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

Phil Sumner advised CAG members that Will Anderson had resigned from the Group as he was leaving the CSE to take up another post. The Group were advised that following a recent decision by the Minister, the Smart Metering Programme would be led by DECC once phase 1A of the programme was completed in early 2011. Details on the ongoing arrangements for CAG and the approach to stakeholder engagement for the Programme were not yet clear but further information would be provided once decisions had been made.

Members of the Group provided updates on their attendance at recent Working Groups and other recent activity:

- Some concern was expressed that at the recent data privacy workshop, it appeared that suppliers were looking for access to a considerable amount of data and did not make a strong consumer case for access to half hourly data.

- Members of the Group had recently attended a Green Alliance meeting which had considered consumer engagement with smart metering.

- Consumer Focus were undertaking some omnibus research in January on a range of issues including aspects of the smart metering programme.

- Ofgem noted that the latest EDRP update report would be published before Christmas.

- Which? will publish their annual 'utility survey' in January.

- Gretel Jones said she had been invited to join the Green Deal Assessors Working Group and considered there may be some tie-ins with this work and the smart meter rollout programme.

- Consumer Focus were planning to issue two information requests, relating to time-of-use tariffs and data privacy.

- Which? were conducting research on a type of in-home display, focusing on its usability.

Item 3: Consumer engagement strategy development

Graham Brown gave a presentation on issues related to developing a consumer engagement strategy. The presentation focused on initial work looking at the key consumer messages and the roles of various parties before, during and after installation, through to achieving consumer behaviour change in the longer term.

In discussion the Group raised a number of points:

- There was a desire to understand the potential distributional impacts of smart metering. In particular, there was a concern that suppliers would only be interested in selling products and services to certain customers.

- There would be different key players at various stages of rollout (e.g. Government, suppliers, trusted third parties) and the potential role of these different parties need to be explored.

- It was questioned whether there was a role for DNOs, and not just suppliers, in engaging consumers. This was felt to be something for the longer-term, but worth considering as part of this journey.

- Which? research showed that public trust in suppliers was not high, so their role would need to be carefully considered in this context.

- At the post installation stage, it would be useful to have a greater understanding on what sort of data coming from the meter would get consumers engaged. There may be some lessons from the EDRP project to help inform this.

- The strategy should aim to highlight the potential benefits of smart metering to both individuals and society.

- Whether some of the possible consumer concerns, for example around perceived health risks, re-location of meters and remote disconnection, also needed to be addressed as part of the overall strategy.

- In response to a question from one member of the Group, it was clarified that currently the COI was advising the programme on options for developing a consumer engagement strategy. Any resource to implement a strategy for the Programme overall is up to Government.

Item 4: Rollout programme - low income, vulnerable, 'hard to reach' customers

Neil Barnes introduced a discussion on the rollout programme and vulnerable, low income and hard to reach consumers, asking for initial views prior to the planned workshop on 20 January. Issues raised by the Group included:

- It is important to define what the overall aim is within the rollout programme for these groups of consumers. This includes the ability to use the information available from smart metering, including using the IHD (and hence realise the benefits), offer a service that will do this on their behalf and/or offer practical help and reassurance. Needs are likely to differ amongst customers eg. residents of tower blocks who may not be vulnerable but may need to be subject to a different approach during rollout.

- There is a fairness and equity issue in that all consumers should be able to benefit from smart meters. Some consumers may need additional help and support to make this happen.

- There may be a need for a different 'pathway' for vulnerable consumers during the rollout (eg the Digital Switchover Helpscheme). There could be potential advantage in an enduring organisation for engaging these consumers. This would enable multiple interventions over time, rather than just at the point of installation (for example the elderly may benefit from reminders of the information they received at installation).

- Smart metering could present opportunities to provide help and support to vulnerable consumers more generally, especially the hard-to-reach. This might include informing consumers about the specific support to which they are entitled (such as Warm Front or the Priority Service Register). It was, however considered that the installation process should not be 'overloaded'.

- How will we identify vulnerable consumers? This is a common problem for other programmes aimed at, for example, the fuel poor. It could be worth considering the potential for putting in place data sharing arrangements to facilitate the identification of customers.

- As previously raised by the Group, whether there are any additional issues faced by some PPM customers which needed to be considered. Specifically, whether the functional specification required a button to be pressed to ensure reactivation of supply and how this would be dealt with by these consumers.

- Clarification on which of these activities are roles for suppliers rather than third parties would be needed.

Item 5: Installation code of practice governance arrangements

Neil Barnes outlined the Programme team's development of options for governance arrangements of an installation code of practice. The Group made the following points:

- It was noted that it appeared the code was being developed by suppliers (the ERA). Most members of the group were not concerned about the industry drafting such a code. Nevertheless, there was a strong desire for there to be a formal consultation on any code before it was finalised. The Group would prefer DECC and/or Ofgem to run such a consultation.

- It was important that there was clarity and transparency in the governance arrangements for any code. It was suggested that it could be backed up by some form of code panel. Members of the Group felt that consumer groups should be able to raise issues. Given that the rollout programme is expected to last for

around 8 years there would need to be a formal mechanism for updating the code. Members of the Group cited an example used by the OFT.

- The Programme team clarified that the proposal is for any code will be underpinned by enforceable licence conditions. Thought would also need to be given to arrangements for ongoing monitoring of compliance.

- Based on early Code discussions members of the Group offered to send through details on areas of disagreement, namely around sales and marketing and vulnerable consumers. The programme team stated that there would be an opportunity for formal comment on any code and the licence conditions underpinning it.

- Members of the Group considered there is likely to be linkage between Green Deal installation and any smart meter code of practice. Consistency with the accreditation of installers of Green Deal measures should be considered.

Item 6: DCC and Prepayment meters

Dora Guzeleva outlined the possible approach being developed to allow pre-payment meter functionality. This could include a single 'swipe' card with an '0800' number on the card to allow for the customer to ring if help is required to re-able supply following top-up. In discussion the group raised the following points:

- That the 'helpline' number should be free of charge from mobiles.

- It was questioned whether there would need to be two cards (for gas and electricity) or whether the approach would provide for a single enablement of gas and/or electricity.

- If this approach was adopted it would need to be a single universal system and the adoption of any approach by 'early movers' needed to considered.

- To allow for customer accessibility there could be a case for an interface device with a wired link to meter (similar to the key pad model in Northern Ireland).

Item 7: AOB

None