

Dear Liz

We welcome the opportunity to respond to Ofgem's proposals for how it will ensure consumer interests remain protected in response to early moves by suppliers to start to install smart meters ahead of the government's mandated rollout and subsequently as part of the government's mandated rollout.

The London Energy Project (LEP) is funded by Capital Ambition to deliver efficiencies, improvement and cashable savings and provides proportionate and directed leadership, peer challenge and support to London boroughs and other public sector organisations. As a centralised resource for best practice and category management, LEP has delegated authority from 31 boroughs, to take a proactive intermediary role between boroughs and their service providers to improve the efficiency and quality of contracted services, derive greater value and performance from contracts, and provide coherent representation and policy influence through its pan Government links.

An overview from the London Local Government community, follows.

[Smart Metering Spring Package - Addressing Consumer Protection Issues](#) **Consultation**

1. The remote functionality which includes tariff-switching, time-switching and auto-disconnection should not be viewed as interdependent.

- a. Tariff and time switching functions are seen as beneficial and welcome in both domestic and I&C environments, as long as appropriate advance warning is received of any changes and their cost impacts. This does not have to form part of a trade-off allowing suppliers to remotely disconnect customer supplies.
- b. Remote auto disconnection should not be allowed.
- c. If auto disconnection is allowed, this should be limited to very few exceptional circumstances, such as suspected criminal activity, where evidence that is sufficient to warrant powers of entry in a non-smart environment would be granted by normal judicial processes.
- d. If following the consultation process auto disconnection is allowed on a wider basis, the suppliers' right to disconnect should be granted through a judicial process. This provides protections to the consumer and is cheaper for the supplier than the current arrangement, where technicians/engineers are required to attend site.
- e. **If domestic auto-disconnection is allowed, this should not be subject to voluntary codes of practice, but subject to legislation, which has consumer protection of vulnerable people at its core and forms part of the supplier license agreement.**

2. In the local government I&C market, auto-disconnection should not be allowed under any circumstances. We have evidence of numerous attempts by power and gas companies to disconnect schools, care homes, secure units, and blocks of flats. Often these are due to erroneous billing, metering issues, or payments coded to

wrong accounts. Sometimes the meters are not physically located to the supply address; auto disconnection would result in the supply being cut off at the wrong premises and to a totally innocent party.

- a. To illustrate **the potential impact of remote auto disconnection in the local government social housing sector:**
 - i. A tower block of flats is auto disconnected, which has a severe and direct impact on the tenants, i.e. people who are not counter party to the supply contract. These include **obvious public safety risks**, which are completely unacceptable and also pose **numerous liability issues**, such as:
 - ii. unlit stairwells,
 - iii. loss of power to door entry and security systems,
 - iv. loss of CCTV where provided,
 - v. loss of power to lifts, meaning that residents in poor health or that are disabled may not be able to access their dwelling,
 - vi. loss of heating where communal heating is provided,
 - vii. loss of drinking water supplies, where power to pumps is lost.
 - b. If a school is auto disconnected, children's safety could be compromised as they would need to be sent home at short notice, longer-term children's learning outcomes could suffer.
 - c. If a fire station is auto disconnected, there are serious public safety impacts.
 - d. We believe these consumer protection issues are sufficiently robust to prevent granting suppliers the right to auto-disconnection in the I&C market. However, should this practice be allowed, it **should be subject to strict supplier licence agreement and NOT voluntary codes of practice**. This should include mandatory logging of properties in the I&C market that are linked to people with vulnerabilities and where serious safety risks would occur if the supply were auto disconnected, these supply points would include, but not be limited to communal supplies to domestic premises, such as high rise dwellings, social care homes, police and fire stations, secure units, schools etc.
 - e. The issue of **liability should be addressed as part of any evaluation**, as it is entirely foreseeable that if a supply to a high rise block of flats is switched off, a tenant or visitor could fall, be unable to get into their home, mix formula to feed a baby, suffer from hypothermia. If this is due to administration error on the part of the supplier or some other form of dispute, where does the liability lie? These checks and balances should be clearly addressed before allowing suppliers to remotely disconnect properties, etc.
3. **These proposals should be made clear to the public and form part of a plain English wider public consultation exercise.** The proposals give powers to the supplier far beyond what most members of the public would believe reasonable and necessary. The wider consultation exercise should not be via interest groups, but should be properly promoted, newsworthy and make clear the pros and cons, health and safety issues and the protections available to vulnerable people in domestic settings, etc.

4. The cost of works required subsequent to a meter exchange should be addressed during the evaluation process. To illustrate this, we have examples of schools where whole current mechanical meters have been replaced by whole current AMR devices. The contractor replaced the fuse heads on what appears at face value, a like for like basis. However, the tolerances of the mechanical meters are wider and now the school continuously suffers overloads and power outages, resulting in expensive electrical works. Is it reasonable that the customer should be expected to bear such costs, we recommend that the supplier be required to:
 - a. install appropriate metering equipment based on an analysis of load testing prior to meter exchange
 - b. if this is not economically feasible on a blanket coverage basis, be required to return to site and install appropriate equipment at their cost

5. The use of multiple OCR and other similar clip-on devices for gas metering can be very unreliable. We have numerous examples of where these have been knocked off, removed, etc. Improved solutions for gas metering should be appropriately examined prior to any roll-out.

6. Systems should be interoperable and not prevent customers from switching suppliers. All suppliers should accept readings from meters rolled-out as part of this programme, all suppliers should accept readings from meters which have already been rolled-out to fiscal metering as part of a customer or supplier AMR programme, unless there are clear contra-indications of the reliability of the technology and these contra-indications have been through a full technical appraisal and industry consultation process.

7. The ownership, security and distribution of raw and interpreted data is not sufficiently clear to form a concrete response to this consultation, but any future consultation should make independent and explicit proposals for both the domestic and I&C markets, which in our view, should not be treated or handled in the same way. Sales of such data to third parties should not be allowed, and any data streams relating to premises sheltering vulnerable people, should not be subject to FOI and EIR regulations, for security reasons.

8. Whilst the local government sector supports the roll-out in principle, capacity and capability within the industry should not be underestimated. Boroughs adopting AMR solutions are already experiencing significant difficulties implementing installation programmes, and data provision and interpretation are not always accurate. Lessons should be learned from this process prior to the roll-out en masse.

9. Domestic smart meters in a small industrial and commercial (I&C) setting will not always be beneficial and full cost/benefit analysis should be conducted to ensure that the installation and data capture is proportionate and delivers value for the taxpayer. Examples include:
 - a. a small public convenience, or 2 light bulbs in a landlord's stairwell. The cost of the metering by law must be charged to the tenant, and this could see unwelcome increased costs for those in the poorest part of the community.

- b. A simple plug-in data log device costing pennies would provide actual monthly/quarterly readings, at a fraction of the cost.
 - c. There is no carbon benefit associated with installation in such properties.
10. Clearly, there is a significant cost involved in this process, which will be passed on by utility suppliers to customers, although probably not in a transparent way. Openness and transparency of costs are vitally important, particularly when having to pass through costs, such as to domestic residents. We would ask that the roll-out is proportionate and the cost benefit, including costs and carbon accounting, is properly considered to avoid passing on increased costs to the taxpayer, at a time of unprecedented budget challenges.

Finally, we welcome the principle of improved metering arrangements, better quality data and the use of improved data to deliver commensurate improvements in the standards of invoicing from suppliers. We welcome the opportunity to work with government colleagues and Ofgem to achieve high quality delivery of policy principle and outcomes in practice, and hope to be involved in future consultations and working parties, on this and other utility matters.

Kind Regards
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