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Dear Arina

Smart DCC's response to Ofgem's consultation on self-disconnection and self-rationing

Smart DCC Ltd (DCC) welcomes the opportunity to respond to Ofgem's consultation 'Self-disconnection and self-rationing - final proposals'.

At DCC, we support Ofgem's vision of an energy market that delivers positive and fair outcomes for all consumers including those in vulnerable situations, as outlined in the Consumer Vulnerability Strategy.[1]

Smart meters have an important role to play in helping consumers manage their consumption and we are pleased to see the positive story from Citizens Advice's research which shows that consumers with smart pre-payment meters (PPMs) were less likely to have disconnected over the past year than those with regular PPMs.[2]

As the rollout continues, we expect the vast majority of the 4.3 million electricity and 3.4 million gas prepayment meters to be upgraded to smart prepayment meters and argue that, where possible, the associated meter data should be utilised to help deliver the best outcome for consumers in vulnerable situations.

The importance of smart prepayment meters is increased as we continue to live with Covid-19 where social distancing and regional lockdowns have become the new norm.

[1] https://www.ofgem.gov.uk/system/files/docs/2020/01/consumer_vulnerability_strategy_2025.pdf
[2] https://www.citizensadvice.org.uk/Global/CitizensAdvice/The%20end%20of%20the%20beginning_%20covid%20retail%20energy%20next%20steps_v2.pdf

Where possible, DCC would like to offer our services to complement the work Ofgem and suppliers are doing to help consumers.

About Smart DCC

DCC provides the highly secure national network, systems and ongoing operations that underpin the roll-out of gas and electricity smart meters to every household and small business in Great Britain. Our secure data network is a once-in-a-generation project, a catalyst for the most significant transformation of the energy sector in decades which will help Britain become a global leader in smart energy and clean growth.

Additionally, DCC is a key delivery partner in Ofgem's programme to introduce faster, more reliable switching, which will improve the consumer experience, enhance competition in the competitive retail market and facilitate market innovation.

Consultation response

Our full consultation response can be found in the annexe, it centres around two main points:

- DCC can work with energy sector participants to develop solutions using the smart metering infrastructure to improve the outcomes of consumers which self-disconnect and/or self-ration.
- Smart meter data and meta data could be utilised to ensure that vulnerable customers are receiving the appropriate support but also that the proposed obligations on suppliers are being delivered.

It should be noted that the suggested solutions within this consultation are conceptual and further work would be required to determine how they could be delivered and to consider data privacy implications. We would be happy to discuss potential next steps with Ofgem if you would like to explore these ideas in more detail.

This letter represents the views of Smart DCC Ltd (DCC) and I can confirm that we are content for this to be published on the Ofgem website.

If you have any questions regarding any part of this response, please contact Julian Rudd at Julian.Rudd@SmartDCC.co.uk

Yours sincerely,
Julian Rudd
Director of Regulatory Strategy and Performance Management

Annexe: Consultation response

Whilst the consultation asks for comments and views on the contents of the consultation, our response focuses on identifying consumers which are self-disconnecting. We highlight areas where there is the potential for DCC to complement Ofgem's objective by either building functionality or improving access to data.

Identifying self-disconnection and self-rationing

Building functionality to help suppliers deliver against their obligations

As highlighted by Ofgem in the consultation, smart metering data has a range of applications which can help identify consumers which are self-disconnecting or self-rationing. Although DCC meta data is helpful in identifying consumers which are self-disconnecting, suppliers, which hold the direct relationship with end-consumers and also have access to a range of data, including from any smart meter, are better placed than DCC to identify those customers which may be struggling financially.

However, we believe there are several ways in which DCC can help deliver Ofgem's objectives.

Firstly, DCC could enable flagging within the switching process so that a consumer's vulnerability status is retained regardless of a change of supplier. DCC could configure the Central Switching Service process so that a supplier can send additional information to a new supplier, for instance, a consumer's self-disconnection status. This could also be applied to those eligible to be on the Priority Services Register. This would ensure that a new supplier is aware of a consumer's situation and can offer support.

Consumers which self-disconnect or self-ration would receive a consistent service appropriate to their needs immediately after switching, rather than having to wait until they are re-identified. Additionally, suppliers would not have to spend funds re-identifying consumers which have already been identified by their previous supplier.

The status would be attributed to a Meter Point Administration Number (MPAN) which would be transferred through the Central Switching Service once a consumer switches supplier. It is important that if a flagged person moves to a new house, the flag on the MPAN is removed so the premise is not wrongly flagged. This could be automated once the supplier sends an end of tenancy alert. Although this would reduce the number of times a consumer needs to be identified and registered, it is likely that the consumer will need to be re-registered as a flagged consumer if they move to a new home and do not stay with the same supplier.

Given the sensitive nature of personal data, it is likely that households would need to opt in to this service, similar to the Priority Services Register. However, we would suggest that further consideration of

the data privacy implications is required. In addition, we need to be mindful of any perverse outcomes that might arise, such as how to ensure that suppliers do not reject a consumer switching supplier because of current or previous financial insecurity.

~~Giv~~Recognising the sensitivity of the data, any central process for recording personal data would require a secure system to protect consumers data. Given that DCC's systems were designed to the highest cybersecurity standards, we believe that DCC is well-placed to take ownership of such a critical process.

Secondly, DCC can work with suppliers to develop bespoke solutions to help them identify consumers who are self-disconnecting or self-rationing. Suppliers are already able to develop new services within the smart metering system through the Elective Communication Services (ECS) which allows you to request tailored service requests outside of those offered as standard. DCC is mandated to support and guide suppliers through the development and implementation process.

For instance, a supplier which believes that they have identified a target consumer could send a message through the smart meter communication network to the in-home display to inform the consumer of the support on offer and offer a route to communicate on the issue.

Although we intend to reach out to suppliers to suggest that they consider this as an option, we are conscious that to date our customers have not made use of the ECS and the result of a questionnaire we ran on ECS suggested that an overhaul is required. DCC are considering the results of the feedback we have received and intend to develop a new proposition and engage our customers later this year.

Supplying data to help with monitoring the sectors progress

DCC recognises the value of the data in the smart metering system and has the ambition to improve access data for the public good. As the Committee on Fuel Poverty notes in their 2020 report, "Better use of data and advanced statistics / machine learning in delivering benefits to the fuel poor", data and quantitative methods can be better utilised by suppliers to identify and assist the fuel poor.[1]

As the digital spine of the energy system and the body responsible for communicating the data from smart meters, DCC feels an obligation to ensure that the data is being used for the public good and support Ofgem's proposals to ensure that suppliers are making use of the valuable data.

However, if Ofgem is to effectively monitor the sector it needs to understand how suppliers are responding to their obligations and whether the policy achieves its aims. DCC has access to meta data - smart meter system data - which could provide Ofgem with such insights, including:

[1] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/890365/Deloitte_-_better_use_of_data_to_support_the_fuel_poor.pdf

- The number of smart pre-payment meters.
- The number of households disconnected by suppliers
- The number of top-ups that a household has had in a given period.
- The number of times that a meter has gone into emergency credit mode.
- The number of times that a meter has exhausted its emergency credit.

This data could be shared in real-time with Ofgem to help it understand:

- How many customers are being disconnected across the industry and across different suppliers
- The average time between consumers exhausting credit and topping up
- Changes in the number of pre-payment customers

DCC can provide this meta data at an aggregated or granular level and we would be happy to discuss the full extent of data available and avenues for securely providing the data to the Vulnerability and Consumer Policy team at Ofgem.

Although consumption data would be useful to those monitoring suppliers behaviour, there are currently restrictions on access to this data. DCC's intention of releasing data for the public good is to take incremental steps: with the initial focus on improving access to meta data and then subsequently improving access to meter data. We would welcome the opportunity to explore with Ofgem which data might be of use and whether there is a case for taking forward the opening up of consumption data to support these particular applications.

Additionally, meta (and meter) data could be overlaid and integrated with other sources of data, such as thermometers and humidity sensors to build a better picture of fuel poverty in GB. Ofgem might wish to be aware that DCC is working with a third party currently to explore how the smart meter system may be able to connect such additional sensors.