

Supplier reporting to Ofgem during the smart meter roll-out

Consultation

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Overview:

Gas and electricity suppliers will be required by their licence to roll-out smart meters to all their domestic and smaller non domestic consumers by the end of 2020. The smart meter roll-out will affect every home and smaller business in Great Britain, with the replacement of around 53 million gas and electricity meters in less than a decade. Ofgem's role is to make sure that consumers remain protected during the roll-out, and to monitor, and if needed enforce, suppliers' compliance with the associated obligations.

In this consultation we are seeking views on our proposals to require suppliers to submit roll-out plans and progress reports to Ofgem. These documents will set out suppliers' plans for meeting their obligation to install smart meters and their progress against these plans. This is one aspect of our strategy for monitoring compliance across the range of new smart metering obligations.

Context

Since April 2011, the Department of Energy and Climate Change (DECC) has been directly responsible for managing the implementation phase of the Smart Metering Programme. We have been engaging with the government by providing independent regulatory advice, to help ensure that changes to the regulatory framework are managed efficiently and effectively, and that the new rules operate in the interests of consumers.

Ofgem will have responsibility for regulating the new framework. An important part of this role involves monitoring and, where appropriate, enforcing compliance with new regulatory obligations put in place by the government to mandate the roll-out. This runs in parallel to our work with the government in considering the opportunities and issues associated with the development of a smart grid. This activity contributes to promoting value for money for all consumers which is one of the four key themes set out in Ofgem's Forward Work Programme for 2013-14.

This consultation sets out proposals for how we will use the powers contained in the gas and electricity licences, which enable Ofgem to request suppliers to provide roll-out plans with enforceable milestones. It also considers related reporting requirements.

Associated documents

- March 2011 Response to Prospectus Consultation
<https://www.gov.uk/government/consultations/delivering-smart-meters-to-homes-and-businesses>
- DECC May 2012 consultation and draft licence conditions
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43119/5454-strategy-cons-smart-meters-monitor-eval.pdf
- Ofgem June 2012 open letter
http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/Smart%20Meter%20Roll%20Out_Open%20letter%20June%202012.pdf
- Ofgem response to DECC May 2012 consultation
<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=46&refer=Markets/sm/metering/sm>
- DECC December 2012 decision and final licence conditions
<https://www.gov.uk/government/consultations/information-requirements-for-monitoring-and-evaluation-of-smart-meters>
- DECC May 2013 Smart Meters Programme Delivery Plan
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197794/smart_meters_programme.pdf

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Executive Summary

Introduction

Gas and electricity suppliers will be required, by their supply licences, to install smart meters¹ to all their domestic and smaller non domestic consumers by the end of 2020. Ofgem will have responsibility for regulating the new framework. An important part of this role involves monitoring and, where appropriate, enforcing compliance with new regulatory obligations put in place by the government to mandate the roll-out.

A practical and effective strategy for receiving and monitoring suppliers' plans and progress will help to ensure that suppliers are held to account for delivery of the roll-out. This in turn will help to ensure that issues are identified and addressed at an early stage, and that any consumer detriment is minimised.

This consultation focuses on how we propose to exercise new powers given to us by licence conditions 38 and 44 of the gas and electricity supply licence, respectively. Broadly speaking, these new powers enable us to require suppliers to submit to us Roll-Out Plans, including binding Annual Milestones, and to report on progress against these in a Progress Report.

The underpinning licence conditions give us discretion in a range of areas, such as: whether to ask suppliers for Roll-Out Plans; what information Roll-Out Plans should contain; and when to ask suppliers to submit their first Roll-Out Plans. This consultation sets out proposals for, and seeks views on, how we intend to exercise our discretion in these, and related, areas.


Our proposals

We are seeking views on the following proposals:

- Large suppliers² should be required to submit a Roll-Out Plan to us in January 2016. These Roll-Out Plans would be high-level, consisting of a small set of quantitative data and accompanying narrative.
- The underpinning licence conditions state that an Annual Milestone will be achieved if the supplier reaches at least 95% (or such lower percentage as directed by the Authority) of the milestone. In recognition of greater uncertainties in the early part of mass roll-out, we propose directing that, for

¹ Smart meter is a meter which, in addition to traditional metering functionality (measuring and registering the amount of energy which passes through it) is capable of providing additional functionality, for example two way communication allowing it to transmit meter reads and receive data remotely. It must also comply with the technical specification set out by the Smart Metering Programme.

² In this context, a large supplier is a licensee that supplies, together with its affiliates, [gas/electricity] to more than 250,000 Domestic Customers.



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the first two years, an Annual Milestone will be met if the supplier reaches at least 90% of that milestone.

- Suppliers should be required to publish their Annual Milestones contained in the Roll-Out Plan, and to publish progress against these Annual Milestones each year.
- At this stage, we only propose to require large suppliers to submit Roll-Out Plans. However, in line with the approach of the Department of Energy and Climate Change (DECC), we intend to request annual monitoring information to track all suppliers' progress.
- We propose that suppliers should submit an annual Progress Report each January, from January 2017. This would be high-level, and consist of an update on their actual performance against the Annual Milestone of the preceding year, and a narrative to explain any difference between the Roll-Out plan and actual performance. Suppliers would also be required to publish their performance against the relevant Annual Milestone.

Next Steps

We are seeking responses to the consultation questions set out in this document – as well as any other comments – by 8 October 2013. In the light of this feedback, we aim to publish our policy decision in the first half of 2014.

1. Introduction

This document

1.1. The smart meter roll-out will modernise the entire stock of gas and electricity meters in Great Britain by the end of 2020. It is a major undertaking that will touch on every home and smaller business³ in Great Britain. Our role is to help make sure that consumers' interests are protected, both during the transition to smart metering and once the roll-out is complete.

1.2. Smart metering has the potential to be an important catalyst for change in the energy sector. It is expected to lead to significant improvements to existing metering arrangements for consumers, and the market more widely. Benefits to consumers include: improved customer service, such as an end to estimated billing; easier and quicker switching between different methods of payment (credit or prepayment) and a wider range of payment options, for example top-ups to prepayment meters (PPMs)⁴ over the internet, which may facilitate the development of a wider prepayment market. This in turn should benefit consumers, for example by helping them to budget.

1.3. Responsibility for installing smart meters rests with suppliers, as prescribed by licence conditions 33 and 39 of the gas and electricity supply licence respectively (the "roll-out licence conditions"). Ofgem will have responsibility for regulating the new framework. An important part of this role involves monitoring and, where appropriate, enforcing compliance with new regulatory obligations put in place by the government to mandate the roll-out.

1.4. Effective monitoring by Ofgem of suppliers' plans for, and progress against, the smart meter roll-out is important to help ensure that the roll-out happens in an orderly way, and that there are practical and effective safeguards against poor delivery. This will help to ensure that consumers start receiving the benefits of smart meters in appropriate timescales. Given the unique nature and the scale of the roll-out, and associated costs, we consider that receiving plans and progress reports from suppliers will help us to identify issues at an early stage, and enable us to take appropriate action, if needed, to resolve these. The Annual Milestones will act as 'check points' during the roll-out where we can formally evaluate suppliers' progress and, where appropriate, consider taking enforcement action if they have not been met. We also consider that it is important for consumers and

³ In the context of the smart meter roll-out, smaller business are defined as those sites in electricity profile classes 3 and 4, and those non-domestic gas sites with consumption of less than 732 MWh per annum.

⁴ Pre-Payment Meters (PPM) are meters that support pre-payment. Pre-payment is a method of payment where consumers pay for credit to their account. Their meter deducts credit from the account based on the amount of energy used by the consumer and the rates that apply to the consumer.

other stakeholders to have accurate and timely information about how the roll-out is progressing.

1.5. This document is a consultation on a number of policy issues relating to suppliers' submission of Roll-Out Plans, Annual Milestones and Progress Reports to Ofgem. The overarching requirements are set out in suppliers' licences, and this consultation therefore covers more detailed questions relating to the practical implementation of the powers given to us in those licence conditions. Further background on the underpinning licence conditions is provided in Chapter 2 below.

1.6. The consultation comprises two main parts. The first (Chapter 2) considers policy questions relating to suppliers' Roll-Out Plans, which are forward-looking documents that set out how suppliers intend to meet their roll-out obligations to install smart meters for all their domestic and smaller non-domestic consumers by the end of 2020.

1.7. The second (Chapter 3) considers policy questions relating to suppliers' Progress Reports. These are backwards-looking documents that set out how suppliers performed against their own Roll-Out Plan in the previous calendar year, and explain any deviations from the Roll-Out Plan.

1.8. The remainder of this Chapter provides further background information on the smart meter roll-out and Ofgem's work, before explaining how issues discussed in this consultation fit within Ofgem's wider work and briefly discussing the next steps after publication.

Background to the smart meter roll-out

1.9. The UK Government has decided to implement the smart meter roll-out through regulation. This includes:

- new obligations on suppliers requiring them to roll-out smart meters
- establishing a new licensed entity, the Data and Communications Company (DCC), to manage data and communications to and from domestic consumers' smart meters
- establishing the Smart Energy Code (SEC), which suppliers and Distribution Network Operators (DNOs) are required to be a party of, and comply with.

1.10. There is also regulation to help ensure that consumers are protected. For example, there are new rules to ensure appropriate access by suppliers, network companies and authorised third parties to consumers' smart meter energy consumption data. Also, the Smart Metering Installation Code of Practice (SMICoP), which sets out rules and standards of conduct for suppliers installing smart meters for domestic and micro-business consumers, came into effect from 1 June 2013.

1.11. Ofgem E-Serve managed the policy design phase (Phase 1) of the Smart Metering Programme ('the Programme') on behalf of DECC. This phase ended with the publication of the Response to Prospectus in March 2011⁵, which sets out a robust high-level policy design for the smart meter roll-out, consistent with protecting the interests of consumers. Since April 2011, DECC has been directly responsible for managing the implementation phase (Phase 2) of the Programme. This includes developing the policy for the smart meter roll-out and the associated regulatory framework⁶, and monitoring the delivery of benefits associated with smart meters.

1.12. In November 2012, DECC introduced new licence conditions requiring suppliers to install a smart meter for their domestic and smaller non-domestic customers by 31 December 2019. In May this year, DECC announced that the roll-out end date has been extended to 31 December 2020, to take into account the needs for proper system building and testing by the industry⁷. Although the necessary amendments to the licence conditions still need to take place, our assumption throughout this consultation document is that suppliers will be ready to start their full scale roll-out in Autumn 2015 and that the roll-out end date is 31 December 2020.

1.13. Ofgem has been engaging with the Programme by providing independent regulatory advice, to help ensure that changes to the regulatory framework are managed efficiently and effectively, and that the new rules operate in the interests of consumers. We will also monitor and, where appropriate, may take enforcement action against suppliers who do not comply with their obligation under the new 'smart' regulations put in place by the government⁸. This runs in parallel to our work with the government in considering the opportunities and issues associated with the development of a smart grid.

Background – supplier reporting during the roll-out

1.14. In the March 2011 Response to Prospectus, the government concluded that large suppliers should be required to have in place a plan 'realistically capable' of fulfilling their obligation to complete the roll out. Suppliers would be required to submit these plans to Ofgem, to report on progress against them on a regular basis, and to update the plans each year.

⁵ Smart Metering Implementation Programme: Response to Prospectus Consultation, DECC/Ofgem, March 2011. <https://www.gov.uk/government/consultations/delivering-smart-meters-to-homes-and-businesses>

⁶ Regulatory framework include: amendments to the supply licences; new DCC licence; Smart Energy Code (SEC).

⁷ DECC announcement can be found here:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/197794/smart_meters_programme.pdf

⁸ Enforcement decisions will be taken in accordance with our 'Enforcement Guidelines on Complaints and Investigations'. These guidelines can be found on our website:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=39&refer=Aboutus/enforcement>

1.15. In May 2012, DECC issued a consultation document which set out more detailed policy proposals relating to suppliers reporting to both DECC and Ofgem. It also included draft licence conditions enabling both DECC and Ofgem to request information from suppliers in relation to the smart meter roll-out.

1.16. In terms of suppliers reporting to Ofgem, this consultation introduced the concept of supplier Roll-Out Plans, which would include binding, supplier-set interim milestones. It was explained that the aim of including such milestones in the plan was to set out clear, measurable steps towards the completion date, whilst recognising that suppliers are best placed to determine their own most efficient roll out profile.

1.17. To help inform stakeholders' responses to DECC's May 2012 consultation, Ofgem published an open letter in June 2012⁹. This set out our thinking at the time on how the draft licence conditions in DECC's May 2012 consultation might work in practice.

1.18. DECC published their final decisions and accompanying licence conditions in December 2012¹⁰. Following successful completion of the relevant Parliamentary processes, the licence conditions for suppliers reporting to both DECC and Ofgem came into force on 4 March 2013. DECC is already collecting monitoring data and annual reports from suppliers. This consultation sets out how we intend to exercise the power given to us in the licence conditions to collect Roll-Out Plans and Progress Reports from suppliers.

Related Ofgem work

1.19. Some suppliers have been providing smart or 'smart-type'¹¹ meters to their domestic and smaller business consumers in advance of any formal obligations being introduced. We have therefore already put in place measures via our '**Smart Metering Consumer Protection Package**'¹² ('**Spring Package**') to help ensure domestic customers, who receive smart or 'smart type' meters early, are protected. These measures focus on protecting consumers where **remote disconnection, remote switching and load limiting functionality** are used.

⁹ Our Open letter 'Regulating the smart meter roll-out: how DECC's proposals for the provision of information to Ofgem might work in practice' can be found on our website here:

http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/Smart%20Meter%20Roll%20Out_Open%20letter%20June%202012.pdf

¹⁰ This document can be found at the following link:

<https://www.gov.uk/government/consultations/information-requirements-for-monitoring-and-evaluation-of-smart-meters>

¹¹ 'Smart-type' meters are those with some smart functionality, but which do not meet the government's mandated technical standard for smart meters

¹² <http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Documents1/Modification%20Direction.pdf>

1.20. We followed up on this work in December 2012, when we completed a review of developments with the use of load limiting functionality by suppliers¹³. We committed to continue tracking developments in this important area.

1.21. As part of the Spring Package, in November 2011 we put forward a set of self-regulatory requirements for suppliers to apply, to help ensure that **businesses receiving smart meters are treated fairly**¹⁴. This included steps suppliers should take before and after disconnection, steps suppliers should take to remedy cases of wrongful disconnection, and compensation to smaller business consumers in cases of wrongful disconnection. We are continuing to monitor whether additional protections are needed for smaller businesses with smart meters.

1.22. We are also responsible for approving changes to the **Smart Metering Installation Code of Practice (SMICoP)**¹⁵. The SMICoP, which came into effect from 1 June 2013, is a key consumer protection measure which sets out rules and standards of conduct for suppliers installing smart meters for domestic and micro-business consumers.

1.23. We have also put in place new licence conditions to support **effective switching** for domestic consumers that have smart or 'smart type' meters installed¹⁶. These are intended to be a transitional measure, which will no longer be needed when all consumers have fully interoperable smart meters. The new rules cover two areas. The first set is designed to help domestic consumers understand if the smart services they are receiving will be maintained if they switch supplier. The second set removes some of the barriers that could prevent the new supplier from operating the meter in smart mode, if they wish to do so. These rules took effect in November 2012 and January 2013 respectively.

1.24. Looking forward, we will continue to introduce new measures to protect and empower consumers in response to the roll-out of smart meters where appropriate. Longer-term, we also want to ensure that the wider benefits of market developments facilitated by smart meters are realised. We have therefore

¹³ Load limiting is where the flow or amount of electricity supplied to a customer is restricted. Please see:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=255&refer=Sustainability/SocAction/Publications>

¹⁴ Please see:

<http://www.ofgem.gov.uk/Sustainability/SocAction/Publications/Documents1/nondomsmartmetersspringpackageopenletnov.pdf>

¹⁵ The final version of this code can be found here:

<http://www.ofgem.gov.uk/Pages/MoreInformation.aspx?docid=259&refer=Sustainability/SocAction/Publications>

¹⁶ Please see:

<http://www.ofgem.gov.uk/Markets/sm/metering/sm/Documents1/smart%20meters%20-%20effective%20switching.pdf>

established our **Smarter Markets Programme** to help ensure that these developments happen in a co-ordinated and timely way¹⁷.

1.25. The role of Distribution Network Operators (DNOs) in the smart meter roll-out has also been considered in Ofgem's **Strategy decision for RIIO-ED1**. Any costs associated with the roll out must be borne by the parties that are able to control them, to ensure the most efficient outcome for customers. Suppliers and network companies are developing Service Level Agreements (SLAs) which will cover DNOs delivering remedial work to properties within set timeframes, in exchange for granular planning information from suppliers¹⁸. Business plans must leverage the full value of the smart meter roll out and use smart meter capabilities and services to maximize the benefits of the programme to consumers¹⁹.

1.26. Positive consumer engagement will be vital to ensure that the full benefits of smart metering are realised. And as well as consumer, supplier and wider benefits from the roll-out, there are costs which will ultimately be borne by consumers. Competitive market pressures should help to ensure that suppliers control their costs, with cost savings passed through to consumers. Our **Retail Market Review**²⁰ (RMR) set out evidence that there are significant barriers to effective consumer engagement in the retail energy market, which contributes to weakened competition. We are therefore developing and implementing proposals through the RMR which will offer a simpler, clearer and fairer retail energy market that works in the interests of all consumers. This aims to improve consumer engagement and provide a strong foundation for consumers to be able to engage with future innovative products and services facilitated by smart meters. Effective consumer engagement in the market will also increase competitive pressures on suppliers to keep costs, including metering costs, at efficient levels.

1.27. The government and Ofgem aim to support the transition to a secure, safe, low carbon, affordable energy system in the UK. The electricity networks will have to be developed to efficiently facilitate low carbon developments in generation, supply and consumption, while ensuring security of supply. To meet these challenges, the future system needs to be more integrated and flexible. **Smarter grids** will enable more dynamic real time flows of information on the network and more interaction between suppliers and consumers. The **Smart Grids Forum**²¹ has been established to properly recognise the importance of network development as a key part of the low carbon transition. Ofgem's work on the Forum will identify the

¹⁷ For more information please see:

<http://www.ofgem.gov.uk/Markets/sm/strategy/Pages/Strategy.aspx>

¹⁸ For more information please see:

<http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/riio-ed1/consultations/Documents1/RIIOED1DecUncertaintyMechanisms.pdf>

¹⁹ For more information please see:

<http://www.ofgem.gov.uk/Networks/ElecDist/PriceCtrls/riio-ed1/consultations/Documents1/RIIOED1DecOutputsIncentives.pdf>

²⁰ For more information on RMR please go to our website:

<http://www.ofgem.gov.uk/Markets/RetMkts/rmr/Pages/rmr.aspx>

²¹ For more information please see: <http://www.ofgem.gov.uk/Networks/SGF/Pages/SGF.aspx>

future challenges for electricity networks and system balancing, including the current and potential barriers to the efficient deployment of smart grids.

Next steps

1.28. This consultation will run for 10 weeks, closing on 8 October 2013. We intend to publish our policy decision in the first half of 2014.

1.29. We will also informally engage with stakeholders on our wider plans for collecting monitoring information from suppliers, with regards to other smart metering obligations, and on the contents of any accompanying guidance we may decide to publish on practicalities (such as format and process for submission).

1.30. We also intend to explore informally with large suppliers the idea of running a voluntary exercise with them in 2015 to ensure that the process runs smoothly when it is run on a mandatory basis in 2016. This exercise would be on a voluntary basis and will not be a licence requirement.

2. Supplier Roll-out Plans

Chapter Summary

This chapter sets out our proposals in relation to suppliers' Roll-Out Plans. This includes the information that should be contained in the Plans, when they should be submitted, who should be required to submit a Roll-Out Plan and which elements of the Plan should be published.

Question 1: Do you agree with our proposals for the content of the Roll-Out Plans?

Question 2: Do you agree with our proposal to ask for a single Roll-Out Plan for both gas and electricity (with separate Annual Milestones for gas and electricity)?

Question 3: Do you agree with our proposals for which suppliers should be required to submit Roll-Out Plans?

Question 4: Do you have any comments about our proposed definition of 'small supplier' in this context?

Question 5: Do you agree that suppliers should submit their first mandatory Roll-Out Plan in January 2016?

Question 6: Do you agree with our proposal to have a voluntary submission of Roll-Out Plans in 2015?

Question 7: Do you agree with our proposals to increase the tolerances on the Annual Milestones at the end of 2016 and 2017 to 10% respectively? Please provide evidence to support your view.

Question 8: Do you agree with our proposal to require suppliers to publish their Annual Milestones on their website?

Question 9: Do you agree with our proposal to require suppliers to publish updated Annual Milestones on their website alongside their original series of Annual Milestones?

Question 10: Do you agree with our proposals relating to the re-submission of Roll-Out Plans?

Question 11: Do you have any other comments on issues relating to suppliers' Roll-Out Plans?

Introduction

2.1. This Chapter sets out our policy proposals in relation to suppliers' Roll-Out Plans. It starts by giving a high-level overview of the underpinning licence conditions, before considering a number of policy proposals in turn.

Summary of licence condition requirements

2.2. The requirements on suppliers with regards reporting to Ofgem are set out in conditions 38 and 44 of, respectively, the gas and electricity supply licences. Broadly speaking, the licence conditions enable us to require suppliers to:

- provide us with **Roll-Out Plans** (and to report on progress against these in a **Progress Report**; see Chapter 3 for further information on Progress Reports)
- include binding **Annual Milestones** in their Roll-Out Plans; these Annual Milestones are set by suppliers themselves, and are the percentage of a supplier's domestic and smaller non-domestic customers who will have a smart meter, or relevant advanced meter²², installed by the end of the specified calendar year, and a justification for these
- **publish** some or all of the information in their Roll-Out Plan and Progress Report

2.3. The licence conditions contain a number of more detailed provisions. For example, Ofgem has the ability to specify the format and content of the Roll-Out Plans and Progress Reports, and the requirements relating to the submission of Roll-Out Plans and Progress Reports.

2.4. The licence conditions also contain a general power enabling us to ask suppliers for information regarding smart meter-related licence conditions. Examples of this information could be: information on number of installations with a Pre-Payment Meter (PPM²³); total number of In-Home Displays (IHDs)²⁴ provided. We are considering our approach to monitoring other smart-metering obligations.

Content of Roll-Out Plans

Issue and Policy Proposal

2.5. The underpinning licence conditions permit us to specify the information that should be contained in a Roll-Out Plan. This is subject to the requirement that Roll-Out Plans must, as a minimum, contain Annual Milestones and a justification for them.

2.6. Our initial proposal is that Roll-Out Plans submitted to Ofgem should only contain **the information that is essential for us to understand suppliers' plans** across their entire customer base. Should we require further information, we could obtain this using the powers set out in licence conditions 38 and 44 of, respectively, the gas and electricity supply licence, or our wider information-gathering powers as appropriate.

²² There are a number of exceptions in the main roll-out licence condition that permit suppliers to install an advanced meter rather than a smart meter (with the advanced meter permitted to 'count' towards the suppliers' roll-out obligation). Advanced meters installed under one of these exceptions would also be included in a suppliers' Annual Milestone.

²³ Pre-Payment Meters (PPM) are meters that support pre-payment. Pre-payment is a method of payment where consumers pay for credit to their account. Their meter deducts credit from the account based on the amount of energy used by the consumer and the rates that apply to the consumer.

²⁴ In-Home Display (IHD) is a device capable of displaying near real-time information on energy consumption in a readily accessible form.

2.7. We therefore propose that suppliers' Roll-Out Plans would consist of three sections:

- **Strategic approach** – In this section suppliers would explain their general approach to rolling out smart and advanced meters to their domestic and smaller non-domestic consumers. We expect that this would be the same as Section 1 of DECC's Annual Supplier Report.
- **Annual Milestones** – suppliers would submit a series of Annual Milestones. We propose that, in line with the definition in the underpinning licence conditions, Annual Milestones would be the **percentage of domestic and smaller non-domestic premises which would have a smart or relevant advanced meter installed by the end of each calendar year**, from the 31 December in the year of submission of the Roll-Out Plan, up to and including 31 December 2019. No Annual Milestone would be submitted for the end of 2020. The "roll-out obligation" in licence conditions 33 and 39 of, respectively, the gas and electricity supply licence, will apply (ie. Suppliers must take all reasonable steps to ensure that a smart meter has been installed at each domestic and smaller non-domestic premise by the end of 2020). Instead of asking for Annual Milestones, we may ask suppliers how they intend to meet their roll-out obligation by the end of 2020. We could obtain this information using the powers set out in licence conditions 38 and 44 of, respectively, the gas and electricity supply licence or other formal information gathering powers. We also propose that, in line with the definition of the Annual Milestone in the relevant licence conditions, suppliers provide Annual Milestones for their gas and electricity customers separately.
- **Narrative** – suppliers would use this section, which we propose should have a word limit of 650 words, to **explain their rationale for the series of Annual Milestones that they submitted**. Although Ofgem does not approve the Roll-Out Plans, we may use the information from the narrative to understand whether the Annual Milestones are "duly justified", as required by the relevant licence conditions. We would also expect the roll-out profiles to be consistent with any other planning information submitted, for example, to the government or to the DCC.

2.8. We propose that **suppliers submit a single Roll-Out Plan** for both their gas and electricity customers. However, as specified by the underpinning licence conditions, **the Roll-Out Plan must contain separate Annual Milestones for their gas and electricity customers**.

Rationale

2.9. When developing proposals for the content of the Roll-Out Plan, we have considered the extent to which the information is relevant to understand suppliers' plans in meeting their roll-out obligation. We have also sought to align the content of the Roll-Out Plan as much as possible with the information suppliers are providing to DECC in their Annual Supplier Report, in order to minimise the administrative burden on suppliers and in line with our better regulation duties.

2.10. We believe that the above proposal strikes a balance between receiving sufficient information to put suppliers' proposed roll-out trajectories into context, and keeping the reporting burden on suppliers at a proportionate level. If needed, we could use our information-gathering powers to probe more deeply into any issues that may be identified by our review of the Roll-Out Plans. We may also collect a wider set of monitoring information from suppliers, in relation to other smart metering obligations.

2.11. The final direction requiring suppliers to submit a Roll-Out Plan will contain the wording of the specific questions in the Roll-Out Plan. We will also consider further, including through engagement with suppliers, whether it would be appropriate to issue any accompanying guidance for suppliers in relation to completing the Roll-Out Plan.

Question 1: Do you agree with our proposals for the content of the Roll-Out Plans?

Question 2: Do you agree with our proposal to ask for a single Roll-Out Plan for both gas and electricity (with separate Annual Milestones for gas and electricity)?

Who is required to submit a Roll-Out Plan

Issue and policy proposal

2.12. The licence conditions give us the discretion to specify which supplier is required to submit a Roll-Out Plan to Ofgem. Our proposal is to require **only large suppliers to submit Roll-Out Plans**, and to align the definitions of 'large' and 'small' supplier in this context with those used by DECC in relation to their Annual Supplier Report. This would mean that a 'small' supplier is *'[a] licensee that supplies, together with its affiliates, [gas/electricity] to fewer than 250,000 Domestic Customers, or supplies [gas/electricity] only to Non-Domestic Customers'*.

2.13. For the avoidance of doubt, under the proposed definition above, a supplier with only 200,000 dual fuel domestic customers would not be required to submit a Roll-Out Plan as they would not have either 250,000 domestic electricity customers or 250,000 domestic gas customers. A supplier with more than 250,000 dual fuel customers would need to supply a Roll-Out Plan for both their electricity and their gas customers (under our proposal it would be one 'joint' plan with separate Annual Milestones for gas and electricity). A supplier with more than 250,000 domestic electricity customers but fewer than 250,000 domestic gas customers would be required to submit a Roll-Out Plan for their electricity customers only.

2.14. In line with DECC's approach, we also propose that **small suppliers will be required to provide us with monitoring information**, which will include information on progress with installing smart meters.

Rationale

2.15. We consider that asking small suppliers for a Roll-Out Plan would be of limited additional benefit to collecting regular monitoring information from them. This is because with smaller volumes small suppliers could install smart meters for their entire customer base in a shorter period of time.

2.16. We intend to keep this position under review as we start to receive monitoring information from small suppliers. If this monitoring raises concerns about small suppliers' progress, we may choose to request additional information on specific areas of concern, or review the approach above relating to provision of Roll-Out Plans.

2.17. Were a supplier to cross the proposed threshold partway through the year and become a 'large' supplier for the purposes of submitting a Roll-Out Plan, we would consider on a case-by-case basis whether to issue a direction to the supplier at that time, or wait until the start of the next calendar year.

Question 3: Do you agree with our proposal for which suppliers should be required to submit Roll-Out Plans?

Question 4: Do you have any comments about our proposed definition of 'small supplier' in this context?

When should suppliers submit their Roll-Out Plan?

Issue and policy proposal

2.18. The licence conditions permit us to determine the date on which a supplier submits their Roll-Out Plan. Based on the current timetable published by the DECC Programme last May, we propose that suppliers should submit their first mandatory Roll-Out Plan to Ofgem in January 2016. This would mean that Roll-Out Plans would contain four Annual Milestones (from 2016 to 2019).

2.19. We also intend to explore informally with large suppliers the idea of running a voluntary exercise with them in 2015, to ensure that the process runs smoothly when run on a mandatory basis from 2016. We consider that this would be helpful to highlight any procedural difficulties/lack of clarity ahead of the mandatory submission from January 2016.

Rationale

2.20. DECC intends to collect its Annual Supplier Report in January of each year, and we have agreed to align the timing of our requests with DECC. We therefore propose to collect Roll-Out Plans from suppliers in January. We consider that setting a fixed date provides certainty to suppliers about when Roll-Out Plans need to be

submitted, enabling appropriate preparation. Setting a fixed date also provides a more robust basis for consideration of tolerances on the Annual Milestones (see paragraph 2.23 below).

2.21. In our June 2012 open letter, we suggested that we would ask for Roll-Out Plans once the 'key enablers' for the roll-out were in place. At that time we envisaged our Roll-Out Plan being entirely separate to DECC's Annual Supplier Report. We have since agreed to align the timing and content with DECC's Annual Supplier Report as far as possible, which, as set out above, means receiving suppliers' Roll-Out Plans in January. If specific "key enablers" were identified and the last of these was in place, say, in February 2016, this would mean having to wait for almost a year to receive the first Roll-out Plans (January 2017). This would be too late in the roll-out period.

2.22. Based on the current DECC plan, we consider that suppliers will have sufficient certainty to submit a Roll-Out Plan in January 2016, as by then the main elements of the smart metering infrastructure would be in place. In addition to this, suppliers' obligation to meet their milestones is subject to a specified tolerance level in the licence conditions (with power for the Authority to direct an increase in the level of tolerance). This provides more flexibility to suppliers in meeting their Annual Milestone.

Question 5: Do you agree that suppliers should submit their first mandatory Roll-Out Plan in January 2016?

Question 6: Do you agree with our proposal to have a voluntary submission of Roll-Out plans in 2015?

Setting the tolerance levels on the Annual Milestones

Issue and policy proposal

2.23. The licence conditions prescribe that for a supplier to have 'achieved' its Annual Milestone, it must have reached at least 95% of that Annual Milestone. For example, if a supplier set an Annual Milestone of 20% (percentage of its domestic and smaller non-domestic premises with a smart meter or relevant advanced meter installed by the end of the year), it would be considered to have met the requirement if, at the end of that calendar year, at least 19% of its relevant customer base had a smart meter or relevant advanced meter. For the avoidance of doubt, suppliers are permitted to exceed their Annual Milestones.

2.24. The licence conditions give us the ability to lower the '95%' figure where we consider it appropriate. **We propose to set a lower figure of 90% for the Annual Milestones set for 31 December 2016 and 31 December 2017. The 95% requirement would remain for the Annual Milestones set for 31 December 2018 and 31 December 2019.**

Rationale

2.25. The policy rationale for introducing a tolerance on the Annual Milestones, as set out in DECC's December 2012 Response, was to provide some guaranteed flexibility for suppliers. This, coupled with the approach to resubmissions of Roll-Out Plans (discussed below) was intended to help strike an appropriate balance between providing assurance to DECC, Ofgem and other stakeholders about suppliers' progress, and allowing sufficient flexibility for suppliers to amend their Roll-Out Plans where appropriate. It was also intended to encourage suppliers to set more challenging milestones.

2.26. We recognise that there might be greater uncertainties in the earlier part of mass roll-out, which could affect suppliers' ability to plan accurately. We consider that the tapered tolerances of 10%, 10%, 5%, 5% (corresponding to the above mentioned levels of 90%, 90%, 95%, 95% respectively) make an appropriate allowance for this, whilst maintaining the integrity of the framework. We consider that a deviation of up to 10% in, respectively, 2016 and 2017 is likely to be recoverable over subsequent years.

2.27. However, we would welcome evidence and views through this consultation as to whether these tolerances are set at an appropriate level.

Question 7: Do you agree with our proposal to increase the tolerances on the Annual Milestones at the end of 2016 and 2017 to 10% respectively? Please provide evidence to support your view.

Publication of information from Roll-Out Plans

Issue and policy proposal

2.28. The licence conditions permit us to require suppliers to publish some or all of the information contained in their Roll-Out Plan. We propose to **require suppliers to publish their series of Annual Milestones on their website** within a month of the Roll-out plan being submitted to Ofgem²⁵. Suppliers may also choose to include a narrative alongside their Annual Milestones. This does not need to be the narrative provided in the Roll-Out Plan itself, but we would expect the main themes of the two narratives to be the same, with the removal of any commercially sensitive quantitative data, or other information, for the published narrative.

²⁵ For the avoidance of doubt, Ofgem does not approve the Roll-out plans submitted by the supplier and silence on our part does not constitute approval.

Rationale

2.29. We consider that it is important that suppliers are transparent about their plans and progress, so that stakeholders and consumers can hold them to account for delivery of the roll-out. We consider that the reputational incentives associated with suppliers' publication of high-level plans will incentivise suppliers to submit accurate forecasts to us.

2.30. As the Annual Milestones are percentages, they do not expose suppliers' actual or predicted customer numbers – and given the information would first be published in early 2016, after the start of mass roll-out, we do not consider that it would reveal commercially sensitive information about suppliers' plans, for example what their intentions were during Foundation. However, we would welcome views from suppliers through this consultation as to whether they consider that any of the information we propose they publish would create concerns about commercial confidentiality.

Question 8: Do you agree with our proposal to require suppliers to publish their Annual Milestones on their website?

Publication of information when a plan is resubmitted

2.31. In certain circumstances, a supplier can re-submit their Roll-Out Plan and adjust their Annual Milestones. Re-submissions are discussed in more detail below. In this case, if the Annual Milestones were adjusted, we would expect the supplier to retain their original series of Annual Milestones on their website, as well as publish the updated series. We do not intend to prescribe the exact format in which suppliers should do this, but would expect them to do so in a way that presented the information clearly and accurately to consumers.

Question 9: Do you agree with our proposal to require suppliers to publish updated Annual Milestones on their website alongside their original series of Annual Milestones?

Ofgem publication of info

2.32. We note that Ofgem has existing powers to publish information and advice under section 35 of the Gas Act 1986 and section 48 of the Electricity Act 1989, where it thinks this would promote the interest of consumers. In doing so, Ofgem must have regard to the need to avoid, so far as practical, serious and prejudicial effects of publication and must consult any individual or body to whom advice or information relates, before publishing the information. We may decide to use these powers to publish information from suppliers' Roll-Out Plans if we consider it appropriate, and the proposals set out above should not be seen as fettering our discretion in any way in this regard.

Resubmitting a plan

2.33. The licence conditions will permit suppliers to resubmit their Roll-Out Plan (including the Annual Milestones) in the week following the anniversary of submission up to 31 March 2018²⁶. If the proposals in this consultation were implemented, with the first Roll-Out Plan submitted on 15 January 2016 (say) this would mean that suppliers could resubmit their Roll-Out Plans during the period 15-22 January 2017 and 15-22 January 2018.

2.34. The licence conditions also provide for Ofgem to approve a request to resubmit a Roll-Out Plan at any time. Given the guaranteed resubmissions each year, as well as our proposal to increase the tolerances in the first two years, we do not expect suppliers to request an ad-hoc resubmission of a Roll-Out Plan unless there are exceptional, unforeseeable circumstances. We will consider any such requests for an ad-hoc resubmission on a case-by-case basis.

2.35. In the event that a supplier re-submitted a Roll-Out Plan with revised Annual Milestones, we propose that there should be a narrative to explain why the Annual Milestones had been adjusted from the previous Roll-Out Plan. We propose that this would have a limit of 650 words.

Question 10: Do you agree with our proposals relating to the re-submission of Roll-Out Plans?

Question 11: Do you have any other comments on issues relating to suppliers' Roll-Out Plans?

²⁶ Please note that the current version of licence conditions 38 and 44 of respectively the gas and the electricity supply licence still contains the date of 31 March 2017. However, as a result of the change to the roll-out end date, announced by DECC last May, we expect this date to be amended to 31 March 2018.

3. Supplier Progress Reports

Chapter Summary

This chapter sets out our proposals in relation to suppliers' Progress Reports. This includes the information that should be contained in the Progress Reports, when they should be submitted and which elements of the Progress Report should be published.

Question 1: Do you agree with the proposed content of suppliers' Progress Reports?

Question 2: Do you agree with the timing of submission for suppliers' Progress Report?

Question 3: Do you agree with our proposal to have a voluntary submission of suppliers' Progress Reports in January 2016?

Question 4: Do you agree with our proposals in relation to publication of information from suppliers' Progress Reports?

Question 5: Do you have any other comments on issues relating to suppliers' Progress Reports?

Introduction

3.1. This Chapter sets out our policy proposals in relation to suppliers' Progress Reports. It starts by giving a high-level overview of the underpinning licence conditions, before considering each policy proposal in turn.

Summary of licence condition requirements

3.2. The requirements on suppliers with regards to Progress Reports are set out in Conditions 38 and 44 of, respectively, the gas and electricity supply licences. In relation to Progress Reports the requirements are broadly:

- Ofgem can require a licensee to submit a **Progress Report** which sets out progress and performance against the Roll-Out Plan – and can set the time period that the report should cover.
- Ofgem can require a licensee to **publish** some or all of the information contained in its Progress Report, and specify the manner and method by which any such information is published.
- Ofgem can set the **content and format** of the Progress Report, and requirements in relation to submission of the Progress Report.

Content of progress reports

3.3. The underpinning licence conditions permit us to specify the information that should be contained in a Progress Report. As the Progress Report is intended to

provide an update on performance against the Roll-Out Plan, we have developed our proposals for the Progress Reports on the basis of the proposed content of the Roll-Out Plan, as set out in Chapter 2.

3.4. We therefore propose that Progress Reports should consist of two main sections:

- **Progress against Annual Milestone** in Roll-Out Plan – suppliers would provide quantitative data to demonstrate their actual performance in terms of installing smart/advanced meters in the previous calendar year.
- **Narrative section** – suppliers would use this section to explain any difference between their submitted Annual Milestone for the previous calendar year and their actual performance. There would not be a word limit on this narrative.

Question 1: Do you agree with the proposed content of suppliers' Progress Reports?

Submission of Progress Reports: who and when?

Issue and policy proposal

3.5. The licence conditions permit Ofgem to specify who submits a Progress Report, and when the Progress Report should be submitted. We propose that all suppliers who submit a Roll-Out Plan should be required to submit a Progress Report, and that these reports are submitted each January (to report on progress in the previous calendar year). If our proposals in Chapter 2 were implemented, this would mean that **the first mandatory Progress Report is provided in January 2017**, reporting on the 2016 calendar year.

3.6. In Chapter 2 we discuss the possibility of running a voluntary exercise with suppliers in 2015 to ensure that the process runs smoothly once it is run on a mandatory basis. In line with this, we therefore propose to also have a **voluntary submission of a Progress Report in January 2016**, reporting on the 2015 voluntary Roll-Out Plan. As for the voluntary submissions of Roll-Out Plans discussed in Chapter 2, this exercise would not be a licence requirement.

3.7. If our proposals were implemented and only large suppliers were required to submit Roll-Out Plans and Annual Milestones (as proposed in Chapter 2), this would mean that **only large suppliers would be directed to submit a Progress Report**. We would however expect small suppliers to provide to Ofgem similar information on progress in fulfilling their roll-out obligation and we propose to use the information request powers set out in licence conditions 38 and 44 of, respectively, the gas and electricity supply licence, or our wider information-gathering powers as appropriate.

Rationale

3.8. The proposal above reflects the proposals in Chapter 2 in relation to Roll-Out Plans, and the requirement set out in the licence conditions that Annual Milestones relate to a calendar year. In addition, this would mean that Progress Reports would be submitted around the same time as DECC's Annual Supplier Report, and any resubmitted Roll-Out Plans, streamlining the reporting process for suppliers.

Question 2: Do you agree with the timing of submission for suppliers' Progress Reports?

Question 3: Do you agree with our proposal to have a voluntary submission of suppliers' Progress Reports in January 2016?

Publication of information from Progress Reports

Issue and policy proposal

3.9. The licence conditions permit Ofgem to specify which elements of the Progress Reports should be published. We propose that suppliers should be required to publish their actual performance against their Annual Milestone on their website, alongside their proposed roll-out trajectory (ie the Annual Milestones contained in their current Roll-Out Plan). Suppliers may choose to include a narrative here to explain any deviation from their Annual Milestone. This need not be the identical, but could draw upon, the narrative submitted as part of the Progress Report. We would expect the main themes of the two narratives to be the same.

Rationale

3.10. The proposal above reflects the proposals in Chapter 2 in relation to publication of high-level information from Roll-Out Plans. We consider that it would be helpful for consumers and other stakeholders to be able to see how suppliers are progressing against their self-determined Annual Milestones. We also consider that it is appropriate to permit suppliers to explain any deviation between their Annual Milestone and actual achievement, should they wish to do so.

3.11. As noted in Chapter 2, Ofgem has existing powers to publish information and advice where it thinks this would promote the interest of consumers. We may decide to use these powers to publish information from suppliers' Progress Reports if we consider it appropriate, and the proposals set out above should not be seen as fettering our discretion in any way in this regard.

Question 4: Do you agree with our proposals in relation to publication of information from suppliers' Progress Reports?

Question 5: Do you have any other comments on issues relating to suppliers' Progress Reports?

Appendices

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Appendix 1 - Consultation Response and Questions

1.1. Ofgem would like to hear the views of interested parties in relation to any of the issues set out in this document.

1.2. We would especially welcome responses to the specific questions which we have set out at the beginning of each chapter heading and which are replicated below.

1.3. Responses should be received by 8 October 2013 and should be sent to:

Dora Ianora
Smarter Metering Team
9 Millbank - SW1P 3GE London
020 7910 1854
dora.ianora@ofgem.gov.uk

1.4. Unless marked confidential, all responses will be published by placing them in Ofgem's library and on its website www.ofgem.gov.uk. Respondents may request that their response is kept confidential. Ofgem shall respect this request, subject to any obligations to disclose information, for example, under the Freedom of Information Act 2000 or the Environmental Information Regulations 2004.

1.5. Respondents who wish to have their responses remain confidential should clearly mark the document/s to that effect and include the reasons for confidentiality. It would be helpful if responses could be submitted both electronically and in writing. Respondents are asked to put any confidential material in the appendices to their responses.

1.6. Next steps: having considered the responses to this consultation, Ofgem intends to publish the final policy decision in the first half of 2014. Any questions on this document should, in the first instance, be directed to:

Dora Ianora
Smarter Metering Team
9 Millbank - SW1P 3GE London
020 7910 1854
dora.ianora@ofgem.gov.uk

CHAPTER: Two

Question 1: Do you agree with our proposals for the content of the Roll-Out Plans?

Question 2: Do you agree with our proposal to ask for a single Roll-Out Plan for both gas and electricity (with separate Annual Milestones for gas and electricity)?

Question 3: Do you agree with our proposals for which suppliers should be required to submit Roll-Out Plans?

Question 4: Do you have any comments about our proposed definition of 'small supplier' in this context?

Question 5: Do you agree that suppliers should submit their first mandatory Roll-Out Plan in January 2016?

Question 6: Do you agree with our proposal to have a voluntary submission of Roll-Out Plans in 2015?

Question 7: Do you agree with our proposals to increase the tolerances on the Annual Milestones at the end of 2016 and 2017 to 10% respectively? Please provide evidence to support your view.

Question 8: Do you agree with our proposal to require suppliers to publish their Annual Milestones on their website?

Question 9: Do you agree with our proposal to require suppliers to publish updated Annual Milestones on their website alongside their original series of Annual Milestones?

Question 10: Do you agree with our proposals in relation to the re-submission of Roll-Out Plans?

Question 11: Do you have any other comments on issues relating to suppliers' Roll-Out Plans?

CHAPTER: Three

Question 1: Do you agree with the proposed content of suppliers' Progress Reports?

Question 2: Do you agree with the timing of submission for suppliers' Progress Report?

Question 3: Do you agree with our proposal to have a voluntary submission of suppliers' Progress Reports in January 2016?

Question 4: Do you agree with our proposals in relation to publication of information from suppliers' Progress Reports?

Question 5: Do you have any other comments on issues relating to suppliers' Progress Reports?

Appendix 2 - Glossary

A

Advanced Meters

Advanced meters provide measured gas or electricity consumption for multiple time periods (ie for each half hour in electricity or hour in gas) and provide the supplier with remote access to that data. Advanced meters are being rolled out to larger non-domestic consumers and have a lower minimum level of functionality than smart meters, which are being rolled out to domestic and smaller non-domestic consumers.

Annual Milestones

An annual milestone is defined in the relevant licence conditions as the percentage of a supplier's domestic and smaller non-domestic customers who will have a smart meter installed by the end of each calendar year

Authority

The Gas and Electricity Markets Authority

D

Data and Communications Company (DCC)

This is a company that manages the data and communications to and from domestic consumers' smart meters

Department for Energy and Climate Change (DECC)

The UK government department responsible for energy and climate change policy

Distribution Network Operator (DNO)

A DNO is a company which operates the electricity distribution network which includes all parts of the network from 132kV down to 230V in England and Wales (In Scotland 132kV is considered to be a part of transmission rather than distribution so their operation is not included in the DNOs' activities)

Domestic customer

A customer that uses energy for non-commercial purposes

F

Forward Work Programme

The Forward Work Programme sets out the Ofgem projects that will make the greatest difference to consumers in the coming financial year

I

[In-Home Display \(IHD\)](#)

A device capable of displaying near real-time information on energy consumption in a readily accessible form

K

[kWh](#)

Kilowatt-hour (kWh) is a unit used to measure energy consumption in both electricity and gas

L

[Large Supplier](#)

In the context of our consultation, a large supplier is a licensee that supplies gas/electricity to more than 250,000 Domestic Customers

[Load Limiting](#)

Load limiting is where the flow or amount of electricity supplied to a customer is restricted

P

[Pre-Payment Meter \(PPM\)](#)

A meter that supports pre-payment. Pre-payment is a method of payment where consumers pay for credit to their account. Their meter deducts credit from the account based on the amount of energy used by the consumer and the rates that apply to the consumer

R

[Retail Market Review \(RMR\)](#)

The retail market review proposes a new set of rules for energy retail markets that will make it easier for consumers to make better choices over their electricity and gas supply

[RIIO-ED1 \(Electricity Distribution\)](#)

This price control relates to the companies that transport electricity at a lower voltage to homes and companies for domestic and commercial use for the period 2015 to 2023

S

Service Level Agreement (SLA)

This is an agreement that will cover DNOs delivering remedial work to properties within set timeframes, in exchange for granular planning information from suppliers.

Smaller Businesses

In the context of the smart meter roll-out, smaller businesses are defined as those sites in electricity profile classes 3 and 4, and those non-domestic gas sites with consumption of less than 732 MWh per annum

“Small” Supplier

In the context of this consultation, a ‘small’ supplier is a licensee that supplies gas/electricity to fewer than 250,000 Domestic Customers, or supplies gas/electricity only to Non-Domestic Customers

Smart Energy Code (SEC)

The SEC is a new industry code which is a multiparty agreement which will define the rights and obligations between the Data and Communications Company (DCC) and the users of its services Suppliers, network operators and other users of the DCC's services who will all need to comply with the Code

Smart Grid


A smart grid is part of an electricity power system which can intelligently integrate the actions of all users connected to it - generators, consumers and those that do both - in order to efficiently deliver sustainable, economic and secure electricity supplies

Smarter Markets Programme

The Smarter Markets Programme consists of four priority areas of reform which are change of supplier processes, electricity settlement arrangements, regulatory and commercial framework around demand-side response and arrangements for consumer empowerment and protection

Smart Meter

Smart meter is a meter which, in addition to traditional metering functionality (measuring and registering the amount of energy which passes through it) is capable of providing additional functionality, for example two way communication allowing it to transmit meter reads and receive data remotely. It must also comply with the technical specification set out by the Smart Metering Programme



Suppliers reporting to Ofgem during the smart meter roll-out

Smart Metering Installation Code of Practice (SMICoP)

The SMICoP is a key consumer protection measure which sets out rules and standards of conduct for suppliers installing compliant smart meters for domestic and micro-business consumers

Smart-type meters

Smart-type meters are those with some smart functionality, but which do not meet the government's mandated technical standard for smart meters

Appendix 3 - Feedback Questionnaire

1.1. Ofgem considers that consultation is at the heart of good policy development. We are keen to consider any comments or complaints about the manner in which this consultation has been conducted. In any case we would be keen to get your answers to the following questions:

1. Do you have any comments about the overall process, which was adopted for this consultation?
2. Do you have any comments about the overall tone and content of the report?
3. Was the report easy to read and understand, could it have been better written?
4. To what extent did the report's conclusions provide a balanced view?
5. To what extent did the report make reasoned recommendations for improvement?
6. Please add any further comments?

1.2. Please send your comments to:

Andrew MacFaul
Consultation Co-ordinator
Ofgem
9 Millbank
London
SW1P 3GE
andrew.macfaul@ofgem.gov.uk