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FIRST TRIALS FOR SMART ENERGY METERS IN BRITAIN ARE TO BEGIN

- **Two-year trials will look at how customers react to 'smart' energy meters which give better information on gas and electricity consumption**
- **Smart meters have potential to bring improved household energy efficiency and other benefits including eliminating need for estimated bills**
- **Ofgem is working to remove regulatory barriers which may prevent wider roll-out of smart meters**

Energy regulator Ofgem is to administer the first large-scale trials in Britain of advanced energy meters which could help cut household energy consumption.

Under a £10 million Government programme, match-funded by four energy suppliers, meters will be fitted in around 15,000 British homes to provide feedback on whether they help customers improve household energy efficiency. A further 8,000 homes will receive stand-alone display units showing energy use in pounds and pence. The trials - which will be administered by Ofgem over the next two years - will test how customers react to these new devices and to clearer, more frequent energy bills.

Ofgem Chief Executive, Alistair Buchanan, said: "Smart meters have great potential to help customers better understand their energy use and to encourage energy efficiency. Our initial work suggests that smart meters are the future - the end of the meter reader, the ability to meter homemade electricity sales back onto the grid and vastly improved consumption data available within your home. These trials will provide us with firm evidence and hard facts about the benefits smart meters can bring."

Smart meters provide a number of benefits such as:

- Relaying energy use directly to a supplier avoiding the need for estimated bills
- Allowing customers to track their energy use over time to see where they can save energy and money off their bills
- Potentially improving take-up of home electricity generation such as solar panels as they can record how much power customers may be exporting back onto the networks.

To minimise barriers to the take up of smart meters, Ofgem has formed an industry-wide group to agree minimum standards for the meters and look at what needs to change in industry rules to let the industry use them more widely. Ofgem will also provide six-monthly reports to government on the trials, and a final report once the trials are completed in 2010.

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Notes to editors:

1. The four energy companies taking part in the trials are EDF Energy, E.ON UK, Scottish & Southern Energy and ScottishPower. These companies were selected after a rigorous tender process was held last year. As part of delivering their trial information, these four companies will be using six different metering/feedback device companies, four IT specialist companies,

two charities and three universities. Ofgem has appointed the Centre for Sustainable Energy with the Universities of Oxford and Surrey to evaluate results and compare findings from the different approaches to energy saving being trialed.

2. Each participating company is carrying out a range of trials to test out consumer response to different interventions including a combination of some or all of the following: improved billing (with and without smart meters), energy efficiency information, community engagement, visual display units and smart meters.

3. Ofgem is the Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority, the regulator of the gas and electricity industries in Great Britain. Ofgem's aim is to bring choice and value to all gas and electricity customers by promoting competition and regulating monopolies. The Authority's powers are provided for under the Gas Act 1986, the Electricity Act 1989 and the Utilities Act 2000. In this information note, the functions of the Authority under the relevant Acts are, for simplicity, described as the functions of Ofgem.

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