

## Matthew Pearson

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**From:** Victoria Pelka <victoria.pelka@citizensadvice.org.uk>  
**Sent:** 12 January 2017 18:43  
**To:** smartenergy@beis.gov.uk; Flexibility  
**Subject:** Call for Evidence submission from Citizens Advice  
**Attachments:** Citizens Advice Response\_Call for evidence\_Smart Flexible Energy System.pdf

Dear all

Citizens Advice are pleased to submit to you our response to the call for evidence on a smart, flexible energy system.

In addition to attaching our responses as a pdf to this email, we have also submitted them through the online system provided. We found, however, that this system lacked a lot of functionalities. Hence the attached pdf version is actually much more reader-friendly.

In particular, the online platform:

- did not allow for the inclusion of footnotes
- did not allow for the inclusion of hyperlinks
- did not allow for the attachment of multiple, separate files
- did not allow for making writing bold, smaller, larger or underlining text
- did not allow for the inclusion of views or comments on the call for evidence as a whole rather than specific questions (hence please read our introduction below)

If you have any queries about our submission, do please get in touch with me.

I am including the introduction to our responses below (or see the first pages of the pdf attached), as it includes some overarching comments we would like to make on the consultation, lists research we have conducted in this area, and summarises our core principles and values that we applied when responding to all questions.

### Introduction

This document contains Citizens Advice's response to the [call for evidence](#) from the Department for Business, Energy and Industrial Strategy (BEIS) and Ofgem on "a smart, flexible energy system". Citizens Advice have statutory responsibilities to represent energy consumers in Great Britain in accordance with the 2007 Consumers, Estate Agents and Redress Act.

We greatly welcome this joint call for evidence as it puts a timely focus on the fast-changing UK energy system. As the country is striving to meet its emission reduction targets, more intermittent and distributed generation has been connected to the grid, which has brought with it challenges related to balancing the system. New technological developments such as electricity storage, electric vehicles, smart meters, and automated demand side response (DSR) bear great promise but are either still too costly to reach a mass market or have been held up by technical difficulties. This has left the UK behind the USA, Canada and China in terms of moving towards a smarter, more flexible energy system.

Whilst this consultation covers many topics which are relevant to addressing these challenges, we are concerned that its structure may end up missing both the bigger opportunities and the bigger problems in the move to a smarter, more flexible energy system. There is a risk that by narrowly dividing questions into different technologies, actors and policies, the overlaps and conflicts between them may be missed. Furthermore, the challenge Government faces will not be to devise a policy that is good for storage, for example, or which supports aggregators, or accurately prices system costs of intermittent generation. Rather, the challenge is to devise a suite of policies that achieve all these things, combining a multitude of

incentives, causes, and possible solutions without picking winners and losers, that can take account of changing tech trends, market conditions and future consumer behaviour, and that keep the cost burden on consumers low.

As it is still at an early stage, we do not expect immediate answers to these very difficult questions. But it would be helpful to have a clearer indication of the Government's and regulator's plans, and how they intend to weave these separate threads into a cohesive garment.

In our 25 responses to BEIS' and Ofgem's questions we have drawn on our experience as an energy champion and advice charity. Last year we helped fix 208,000 energy problems through our local network and our helpline.

We have conducted research and published reports on multiple topics related to smart and flexible energy systems, including [consumer attitudes to energy data privacy](#) (2014), [smart appliances](#) (2015), [low carbon generation policies and what they cost consumers](#) (2015), [vulnerable consumers and the smart meter rollout](#) (2015), [early consumer experience of smart meters](#) (2016), [distribution tariff design](#) (2016), [disruptions to the energy industry and their effects on consumers](#) (2016), and we are currently conducting research into time of use tariffs and their system and customer benefits.

Throughout our responses, our arguments are based on fundamental principles and values, supported by evidence, that we believe should guide the UK's transition towards a smarter, flexible energy system. Below is a summary of these principles with examples of how we have applied them to different issues covered in our consultation responses:

- **Limiting costs to consumers:** for example when deciding which governance regime to put in place for aggregators;
- **Consumer protection:** to limit the liability of early users of smart tariffs who find they do not work for them;
- **Transparency:** to ensure consumers are clear on who uses the data generated by their smart appliances, when and why;
- **Security:** of consumers' data and privacy when using smart energy devices, which requires the development of sound, uniform standards across the industry;
- **Information:** which is relevant, understandable, true, accessible, free and complete; as the energy system becomes more complex, as smart tariffs, meters and other appliances fill the market, information will be key;
- **Fairness:** for example when deciding who should pay for the development of smart charging infrastructure for electric vehicles;
- **Cost-reflectivity:** for example in distributed generation support;
- **Vulnerability:** to ensure vulnerable consumers are not adversely affected by products or services which might not be suitable to them, but equally that they do not suffer indirectly because they are not able to access them.

Kind regards

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**Victoria Pelka**  
**Policy Researcher**

[Citizens Advice](#)

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