

Consumer empowerment in a smart meter world

Engagement, protections and regulatory barriers

January 2013

frances.williamson@energy-uk.org.uk
www.energy-uk.org.uk
t @energyukcomms

Energy UK

Energy UK

“Energy UK is the Trade Association for the energy industry. Energy UK has over 70 companies as members that together cover the broad range of energy providers and suppliers and include companies of all sizes working in all forms of gas and electricity supply and energy networks. Energy UK members generate more than 90% of UK electricity, provide light and heat to some 26million homes and last year invested over £10billion in the British economy.”

Who we are

Energy UK was established in April 2012 following a merger of the Association of Electricity Producers, the Energy Retail Association and the UK Business Council for Sustainable Energy. Reflecting changes in the energy industry, they have come together to form a clear and consistent voice across the sector, working to achieve a sustainable energy future for members and for the UK.



Consumer Benefits

End to
Estimated Billing

Accurate real
time access to
consumption
data

Improved
Products &
Services

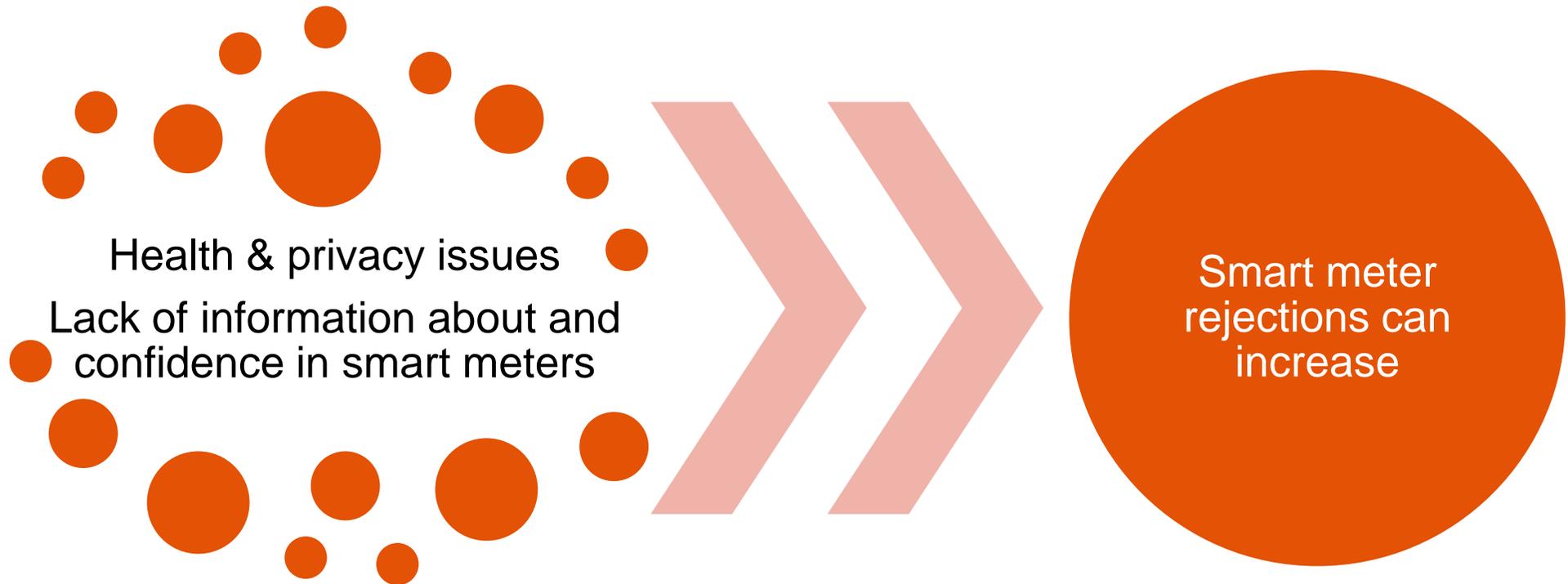
Improved
Customer
Service

Access to
Energy
Efficiency Advice
and Guidance

Opportunities - what are the component elements of a smart energy service to a customer?



Barriers to customer acceptance of smart meters



Consumer confidence in smart metering needs to be built from now onwards to ensure a successful smart meter roll out



SMICoP Key Areas

Pre Installation

- Training and accreditation standards
- Information provision requirements

Installation

- **No** sales will take place during an SMS installation at a **domestic** premise
- Suppliers will demonstrate the IHD & provide energy efficiency guidance appropriate to the customer needs

Post Installation

- Clear information will be provided to customers to assist with fault & complaint resolution

Data Privacy Charter Key Areas

Data Choices

- Suppliers will provide customers with a clear set of smart metering data collection options
- These options can be amended at any time by the customer

Data Provision & Timing

- The Charter sets out how smart metering data will be provided to suppliers e.g. meter reading data will not be provided to suppliers in real time
- The Charter describes the options for customers making smart metering data available to third parties

The Central Delivery Body – In Development

In April 2012, the Government consulted upon setting up a **Central Delivery Body (CDB)** responsible for designing and implementing collective engagement activities linked to the smart metering implementation programme. The CDB will have three main objectives:

Promoting **awareness and understanding** by energy consumers over the use of the smart metering system to improve energy efficiency and behaviour change to reduce consumption

Dissemination of information to energy consumers to **develop and sustain support** for installation of smart meters

Providing **additional support to low income and vulnerable consumers** to ensure they can access benefits of smart metering

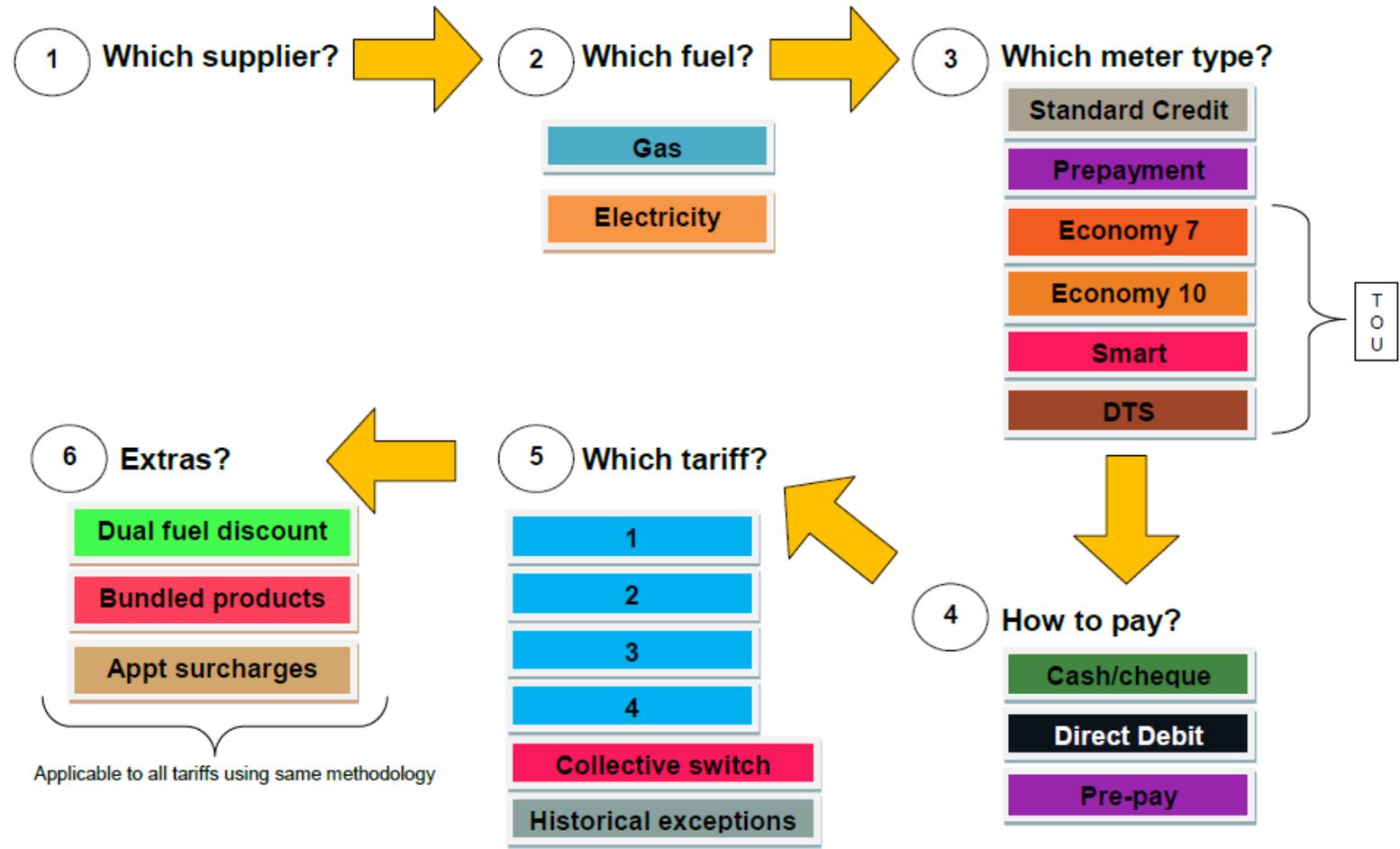
There is agreement across smart metering stakeholders that the CDB is required and they are working with DECC to develop the governance framework to **enable CDB delivery in 2013.**

Opportunities...

- **Customers carry out usage audits to assist behaviour change**
- **Customers take-up energy efficiency advice during or after installation**
- **Customers have accurate usage data to assist with the switching process, such as securing an accurate quote**
- **Customers take-up Time of Use tariffs and either passively shift load to off-peak or actively shift load by altering consumption behaviour**
- **Customers invest in electric vehicles and are able to respond to price signals when charging**
- **Communities invest in energy schemes and are able to aggregate demand**

Retail Market Review – enabler or barrier?

I want to switch my energy tariff. What are my general options in a post-RMR world?



Retail Market Review – enabler or barrier?

Creating a pool of confident and engaged consumers ready for a smart world

Proposals

- Cap of four core tariffs
- Supplier cheapest deal
- Tariff Comparison Rate (TCR)

Some potential benefits

- Reassurance choices not intimidating
- Easier to compare deals and choose the right one
- More trust in the market

Some risks

- Reduced differentiation
- Inhibits ability to respond to consumer demand, innovate, test and trial
- Underlying cause of distrust not addressed
- Lack of future-proofing

Some solutions

- Innovation reserve for TOU tariffs
- Access to full range of “dumb” tariffs
- Transparent and measurable success criteria
- Sunset clause