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**Dear Rachel,**

**Re: Statutory consultation on proposals to modify electricity supply licence condition 47: “Smart Metering – Matters Relating to Obtaining and Using Consumption Data**

We welcome the opportunity to respond to the above consultation regarding modifications to SLC 47. This response represents the views of SSE Energy Solutions (SSE Energy Supply Limited).

SSE Energy Solutions recognises the benefits that MHHS will bring to industry and consumers by reducing settlement timescales and incentivising new products and services for a flexible, more secure, and decarbonised energy system. By leveraging Smart meters, these changes could encourage competition and lower consumer bills, whilst also utilising existing generation and network infrastructure. We firmly believe in the transformative impact Smart metering can have for our non-domestic customers and recognise that it underpins the transition to Market Wide Half-Hourly Settlement. Taking a leading approach to Smart growth is increasingly important in the context of reaching net zero and we are therefore continuing to invest significantly in our rollout.

Following review of Ofgem’s proposed modifications to SLC 47, we are comfortable that the licence drafting adequately reflects the preceding Ofgem policy decisions and have no direct comments on the legal text. Whilst we support Ofgem’s direction of travel and understand the rationale for these modifications, we have set out some observations below for Ofgem’s consideration as we move towards implementation of the new arrangements to ensure there are no unintended consequences for customers.

The introduction of the new rules will have an immediate impact on supplier approaches to customer engagement. This is because after the point at which the new condition enters into force, customers having Smart meters fitted or switching supplier / changing contract must be informed how their data will be processed once MHHS goes live. Given that microbusiness customers until now have had an option to opt-out, we consider that there is a potential the new requirements could have a detrimental impact on customer Smart uptake levels, or at least make conversion to Smart more challenging for suppliers to overcome customer objections/concerns. Suppliers are working relentlessly to continually rebuff common Smart meter myths, with negative press previously suggesting they are intrusive, controlling and “trojan

horses” which will harvest data about our daily lives.<sup>1</sup> If misconstrued through the media lens, the lack of ability to opt out and retain control over this data gathering could pose risk of further negative association with Smart meters. This could in turn have an impact on supplier attainment of Smart targets, and thus lead to more negative press around the rollout. We consider that any negative sentiment around Smart will ultimately damage the wider aims of MHHS as it will counterintuitively lead to slower Smart penetration and less engagement in the products and services MHHS will deliver (e.g. Time of Use tariffs).

The Smart rollout has been a supplier-led model and it has taken a considerable amount of time and effort to gain traction and customer trust, therefore we consider an increased level of support would be needed to ensure customer messaging is clear, consistent, and linked explicitly to the UK net-zero agenda. We note that in its open letter on clarification around access to data that Ofgem suggested that customer messaging will require careful consideration and that potentially Ofgem could play a role in acting as a central body to promote relevant communications.<sup>2</sup> We agree with this point and consider that there remains a need for this form of support (whether from Ofgem, BEIS or potentially SEGB) to ensure coordinated messages are given to microbusiness customers to aid understanding of the wider industry aims and limit the impact of any negative repercussions on supplier Smart rollouts.

We continue to believe that a move towards mandating Smart meter installations for at least some cohorts of non-domestic customers is the most effective means of maximising the potential of Smart and MHHS and ensuring customers can realise the benefits in the shortest timeframes and at the lowest cost. This is particularly relevant against the backdrop of the current market conditions and cost of living crisis. We consider that moving to mandatory half-hourly data collection for microbusiness customers is a catalyst for also moving to mandatory Smart installations to accelerate the benefits customers could receive. We would therefore urge Ofgem to consider a mandatory approach in its discussions with BEIS around future rollout plans.

As always, we appreciate the opportunity to engage with Ofgem and we would be happy to discuss our response further should this be helpful.

Yours sincerely,

**Christie Thomson**

Senior Regulation Analyst

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<sup>1</sup> [Is your smart meter spying on you? | Energy bills | The Guardian](#)

[Why you should say no to getting a smart meter despite the rise in energy bills \(telegraph.co.uk\)](#)

<sup>2</sup> [Open letter – Clarification on issues around access to data for settlement purposes | Ofgem](#)