



Rachel Clark
Settlement Reform
Ofgem
9 Millbank
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31st May 2022

By email: halfhourlysettlement@ofgem.gov.uk

Dear Rachel,

Statutory consultation on proposals to modify Electricity Supply Licence condition 47: “Smart Metering - Matters Relating to Obtaining and Using Consumption Data”

Thank you for the opportunity to respond to this consultation. E.ON is strongly supportive of greater customer engagement in their energy usage, particularly with a view to providing customers with the information required for them to make active choices and contributions to reaching net zero. Therefore, we hold the view that while these proposals largely deliver the policy intent, we are very concerned that the underlying policy is not ambitious enough and that the costs and complexity of managing multiple consent regimes may stifle commercial and tariff innovation and deter from the achievement of the full benefits of MHHS.

The energy industry has undergone a period of significant and unprecedented change which has led to uncertainty and material price increases for customers. We need to emerge from this period with the foundations in place to deliver to customers tailored and innovative tariffs which will empower them to both manage their energy consumption and exploit the technological advances taking place in the home energy sector.

With this in mind, we strongly encourage Ofgem to reconsider whether the underlying policy, developed in 2018, is sufficiently ambitious, not just for today’s market but that of the future where radical innovation will be required to achieve our net zero goals. Creating a second consent regime for an industry process that most customers are not aware of will not result in customer engagement and will be costly and challenging for suppliers to explain and manage. We believe mandatory processing of half hourly data for settlement and business readiness purposes will provide the cost effective foundation to maximise the availability of smart meter data and deliver the full benefits of MHHS.

Should you wish to discuss any of these points further please do not hesitate to contact me

Yours Sincerely

Naomi Walker
Regulatory and Industry Change Manager

E.ON response to Statutory consultation on proposals to modify electricity supply licence condition 47: “Smart Metering - Matters Relating to Obtaining and Using Consumption Data”

Please note this response is on behalf of E.ON Next and npower Business Solutions under the E.ON umbrella.

Question 1. Do you agree that the proposed changes are best calculated to deliver the intent of the data access policy decisions taken by Ofgem as part of its Electricity Settlement Reform SCR, enabling effective implementation of MHHS?

As an overarching reflection and notwithstanding our earlier comments on the underlying policy, we believe there has been a missed opportunity to redraft SLC 47 in its entirety to provide a regulatory framework that is accessible and reduces complexity. The approach taken to the drafting of SLC is disproportionately prescriptive, outdated and unfit for the future market. We have welcomed the move to principle based regulation in other areas of licence and believe it strikes a good balance between customer protection and the flexibility to drive innovation, both of which will be needed to empower customers to engage in their energy usage and as an industry to deliver our net zero ambitions.

Despite these concerns and approaching the question from the perspective of maintaining the status quo, we consider Ofgem’s assessment and drafting of the requirements to amend SLC 47 to deliver its policy decision to be broadly appropriate albeit overly complex and challenging to translate. The proposal is not an accessible licence condition and requires significant interrogation to navigate and interpret.

We have the following additional observations regarding the drafting;

MHH Data Access Framework Timing

It is proposed that suppliers must process data from a meter for settlement purposes from the date on which that meter is migrated into the new MHHS system. We understand that this approach aligns with the one way gate principle, however there remains for us some uncertainty as to how this principle will interact with switching and suppliers' individual approaches to programme delivery and migration.

We are therefore concerned with the timing of the licence drafting within the broader context of the programme delivery. It remains unclear as to how discrepancies between this drafting and the programme design will be managed, we ask that Ofgem address this within their consultation response.

Export Data

There is a discrepancy between the consultation document which references applicability to Microbusiness customers and the licence drafting which is based on Designated Premises only. This inconsistency should be addressed as part of the final publication

END