

Smart meter Guaranteed Standards: Supplier Guaranteed Standards of Performance

Utilita is supportive of the intent of the proposed new obligations. Installing Smart Meters and ensuring they are fully operational is critical to the success of both the SMIP and future key industry projects.

The goal of these new standards is to drive improvements and maintain service levels on the Supplier side. This is only possible if the standards are applied in a fair, effective and undisputed manner.

Ofgem correctly identify that the Smart Metering system is more complex than that for Legacy. There are more points of failure, and it is more complex to assess issues. It is critical that Ofgem continue to work with Industry to agree exactly how these standards should be applied.

Suppliers must not be held accountable for failures outside of their control. Consumer outcomes will not improve if Suppliers and Ofgem are not aligned on root causes. We support implementation of these standards, but request that Ofgem work with Suppliers to very tightly define how these new standards should be applied.

There is the opportunity to improve customer outcomes further, beyond guaranteed standards and placing financial disincentives on Suppliers. Ofgem should recognise the opportunity for regulations to evolve and to support innovative solutions to common problems. Introducing punitive measures may not always lead to the best outcomes, especially when alternative solutions exist but would require Ofgem to change requirements/legislation. Modernising IHD requirements is an example of how industry can simultaneously improve customer outcomes and save money.

Smart Meter Guaranteed Standard Proposals

Q1. Do you agree the 2015 regulations should be updated to reflect the current metering landscape and explicitly mention smart meters?

Yes.

The 2015 regulations already apply to smart meters. Updating the text to remove confusion and clarify their application is reasonable.

Q2. If yes, what areas of the 2015 regulations do you consider should be updated to reflect that they apply to smart metering?

Updating meter definitions to make it explicit Smart Meters are included should be sufficient.

Altering specific clauses would require a separate consultation. There may be unintended changes to their application.

Smart Meter Installation Appointment Availability

Q3. Do you agree that a new standard to ensure requests for smart meter installation appointments are fulfilled within a set number of weeks is right for consumers?

Yes.

We support introducing such a requirement. We discuss application of this standard and exclusion criteria below.

Q4. Do you agree that six weeks is an achievable timeframe to meet?

Yes.

We are confident we can offer appointments to customers within this timeframe. It should be recognised that geographic locations can benefit from grouping appointments to maximise effectiveness, for example Scottish Islands, we have had success during RTS swaps outs with this model.

Q5. Do you agree this should apply to new/first time smart meter appointments only?

Yes.

This standard should not be applied to replacement or fault appointments. The proposed standards on operational meter status should cover these types of jobs.

We must also agree that the appointment requests should be made through recognised channels. We cannot be assessed against requests made through informal channels, differentiating voids and new connections with domestic customers. We are happy to agree what constitutes an official channel with Ofgem.

Utilita's customer journey includes a smart meter booking at point of sales. The appointment should be reported from point of go live (of both meters), not point of sale date. Systems changes (which will take time and come with associated cost) will be required to record where a customer choose their appointment outside of the 6-week period.

Q6. Do you agree that this should only apply in cases where a consumer is technically eligible to have a smart meter installed, and what do you consider those cases to be?

Yes.

Wide Area Network coverage is the most common eligibility constraint.

The consultation document that the DCC's coverage is quoted as 99.3% of GB¹. We stress that this is **not the reality of WAN availability**. This metric is calculated by the Communication Service Providers using road level (i.e. not within the property or at meter point) scanners. This method overstates the presence of WAN coverage and Ofgem *must* accept a Supplier's own determination of whether WAN is present.

Suppliers often avoid visiting areas because they know installs will fail, as the WAN coverage database is unreliable. Doing so is in the interests of customers, as it avoids failed visits and wasting customer time. Ofgem must accept a Supplier's own determination of WAN availability, and not simply compare a property postcode to the entry in the WAN coverage checker. This

¹ "According to the DCC's website, currently this network provides coverage to 99.3% of GB" – page 19 - Paragraph 3.31

should not drive suppliers to make decisions they otherwise wouldn't have in the interest of the consumer.

Q7. Are there any other exemptions that should be considered with this standard?

Ofgem must balance customer outcomes with cost. Whilst we believe it is reasonable for Ofgem to "*incentivise energy suppliers to maintain a minimum level of installers in different regions*", there are certain regions which are so remote that sending an engineer within six weeks is not economical. Price cap controls would prevent us from recovering fair costs if such a standard were to be universally applied. Suppliers will usually wait until there is sufficient appointment demand in the region, so we can combine them and complete them together. We note that this reasoning can only apply to particularly challenging areas. We propose agreeing such regions with Ofgem.

We also wish to ensure that the standard is that Suppliers must *offer* an appointment. If a customer rejects our request or finds it unsuitable, we should not be judged to have failed this standard.

Q8. Do you agree a consumer could receive this compensation every six weeks should a supplier not be able to offer an appointment in that time frame?

Yes - Contingent on clear exclusion criteria.

Our concern is about the application of exclusion criteria. A repeated inability to offer an appointment within six weeks suggests there is an issue with the install.

Q9. Are there any other factors not clearly outlined you think need to be considered?

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Smart Meter Installation Failures

Q10. Do you agree a new standard to ensure consumers receive compensation for failed smart meter installations, where the failure is within a supplier's control, is right for the consumer?

Yes.

It is very important that we clearly define what is within a Supplier's control. Suppliers and Installers are both heavily incentivised to complete jobs, especially once an installer is already on site.

Q11. Are there any scenarios within an energy suppliers' control leading to failed smart meter installations that have not been covered?

Inaccurate Industry Data may lead to failed smart meter installations. We do not believe that compensation should be required where the booking/pre-job information was inaccurate or incomplete. For example, sites which require 3-phase metering will require an appropriate meter and an appropriately trained installer. If we are not aware that the job requires this in advance, it is unlikely we would have the correct installer or equipment sent to the job. We should not be held accountable in this case – provided that we update the sources of industry data and reschedule the job.

Suppliers should also not be held accountable for issues with GDN and/or DNO equipment, is is also essential they have reported back correctly rectification. If issues exist before the meter, the expectation should be for us to inform the responsible party.

Q12. Do you agree this should be applicable to both first time and replacement smart meter appointments?

We note the large number of Communication Hub replacements which will occur soon because of the 4G transition. We question whether these Communication Hub replacements would be in scope of these requirements, as these are not technically smart meter replacements (as only the hub is changed).

We also seek clarity on the scenarios where an installer leaves a previous set of smart meters installed but they remain connected. This may be due to technical issues preventing their replacement. In this instance, the job was not completed by the installer acted in the best interests of the customer. We do not believe such instances should be counted as failures, lest we incentivise supplier actions which lead to worse customer outcomes.

Q13. Do you agree there should be no restrictions on the number of times a consumer could receive this compensation?

No. We believe restrictions must apply.

Repeated site visits and failed jobs already result in financial detriment (regardless of GSOP) to Suppliers and Installers. Site level issues are often complex. Introducing unrestricted fines would disincentivise Suppliers from attending site to resolve more complex issues.

Q14. Are there any other factors not clearly outlined you think need to be considered?

We question why this requirement is being introduced for smart meter installs where it did not exist for legacy. Installations were more straightforward for legacy, and introducing this requirement for smart seems that Ofgem are holding Suppliers to account for failures outside of

their control. Technical reasons for aborts for smart are higher, and industry have investigated significant time and resources to maximising the success of the smart meter rollout. These new standards must be handled in a fair manner.

Investigating Smart Meter Operational Issues

Q15. Do you agree that this standard would support customers with suspected problems with their smart meters, and IHDs?

IHDs are an inefficient and outdated device and should be excluded. If Ofgem are seeking ways to encourage growth and innovation, dropping IHD requirements – or making them more flexible – is a fantastic opportunity for us to work together. Shift to mobile, and where the customer requests real-time data, a CAD is optimal. The environmental impact of IHD's is significant.

We support the introduction of this standard but request a longer timeframe for the Smart Meter. Five Working Days is too short – Ten Working Days is reasonable.

Introducing this requirement would require us to restructure and resource our customer service and operational support teams. A five working day requirement would require us to expand these teams and increase operational overheads, outside the current allowances of the price cap.

Q16. Do you agree the best approach is to expand on the existing “Faulty meter” and “Faulty prepayment meter” standards?

It is not clear what Ofgem is proposing. The drafting in paragraph 3.28 suggests that the Faulty Meter requirements would apply to smart meters. We note that the current Faulty Prepayment meter standards are different (than those quoted in 3.28), however Ofgem have not referenced these.

Regardless, we already apply both sets of requirements equally to legacy and smart meters.

Q17. Are there any other factors not clearly outlined you think need to be considered?

Ofgem risk oversimplifying the triage process here. In practice it is often very challenging to identify where a fault lies. A site visit is required to even identify the cause of the issue.

Ofgem must be clear on what they would accept in terms of an initial assessment and proposed actions. It is likely that many initial assessments will result in inconclusive outcomes.

Industry have repeatedly voiced their issues with smart meter operational issues. Introducing a standard does not solve the problem, it simply makes suppliers financially liable for problems.

We note that current IHD obligations are outdated, inefficient and support outdated technology. Suppliers should be free to offer solutions beyond an IHD. Smart phone applications already offer performance beyond that of an IHD, and it is far more operationally and economically efficient for Suppliers to provide these to customers. Ofgem should consider allowing alternative solutions in place of an IHD and considering the provision of alternatives as having resolved operational issues. This approach would reduce costs and improve customer outcomes. We believe this can be achieved simply by removing the Zigbee requirements for IHDs in the Licence.

Smart Meters not operating in smart mode

Q18. Do you agree a new standard to ensure consumers receive compensation for a smart meter that does not operate in smart mode, which is within a supplier's control to resolve, and has not been resolved, is right for consumers?

Yes.

We must be clear as to what is within a Supplier's control to resolve. We have regular issues with DCC and their downstream supplier what is a supplier's issue and theirs. This is complex and should not disadvantage the supplier. For example, WAN checker coverage mentioned previously.

Other industry reporting suggests suppliers have different definitions of what a commissioned and operable meter is. This evidences the need for alignment, so suppliers are clear and consistently manage customers.

Q19. Do you agree with our initial views of "in scope" and "out of scope"?

Yes.

However, agreeing what category an issue falls in to will be incredibly challenging. We are concerned that Ofgem will tend to fall on the side of things being within the realm of a Supplier to resolve.

We also question how the licence and contractual requirements are applied here.

We need to consider how this is messaged to customers and avoids inflated GSOP costs and complaints (including Ombudsman) in favour of the customer.

Q20. Do you agree with our initial views on what constitutes a "smart meter" and "not operating in smart mode" for the purposes of this proposal only?

Yes.

Q21. How do you consider "actions of another party" could be clearly defined for this proposal?

This is the most important thing to agree. Given the large number of service providers in the smart metering chain, it will be very challenging to assess and allocate issues in a uniform manner.

We note that there may be a role for the Smart Energy Code Operations Group to play in defining these standards. Industry guidance would be required for fair and consistent handling across Suppliers.

Q22. Do you agree that 90 days is an appropriate timeframe to resolve smart meters not operating in smart mode in the future?

No.

The DCC currently has 90 days² to resolve (or declare they cannot resolve) communication issues at site. The obligation on Suppliers must therefore align with this and allow longer than 90 days.

² Smart Energy Code - clause F7.18

Note that Utilita raised a Modification in 2017 aiming to reduce the DCC's obligation from 90 days to 30 days (<https://smartenergycodecompany.co.uk/modifications/prioritising-prepayment-customers-in-no-wan-situations/>) but were told this change would be too costly to implement. The cost is confidential but Utilita can provide it to Ofgem outside of this consultation response.

We also request that Ofgem make it clear that this standard does not apply to non-commissioned (or similar) meters which Suppliers gain on change of supply.

Q23. Do you agree consumers should receive compensation for both gas and electricity meters if applicable?

No.

The detriment to customers for a non-operational gas smart meter is far lower than that for an electricity meter. The majority of smart benefits are borne through electricity. Wider energy scheme interaction is almost exclusively on the electricity side.

Furthermore, maintaining gas connectivity is significantly more challenging than for electricity, due to the additional Home Area Network challenges. Suppliers have no control over the location of the gas meter.

If Ofgem are insistent on maintain a gas meter standard, the payment should be decreased or the standard should be altered to recognise the lower detriment to customers and the disproportionate cost and challenge to Suppliers.

Q24. Do you agree that for each instance of an “in scope” smart meter not operating in smart mode, the consumer should receive another compensation payment if the meter remains not operating for 365 days, and for every other 365-day period thereafter?

Yes.

365 days is a reasonable timeframe.

Q25. Are there any other factors you think need to be considered that have not been covered in this section for this proposal?

We note that Virtual WAN Devices are likely to significantly change how connectivity is established and maintained for many smart meters. These devices are currently outside of any Licence or SEC obligations. We are supportive of their introduction, and believe they are a good example of how diversifying connectivity options is in the best interests of Suppliers, Installers and Customers. Ofgem should consider now how the use of these devices will factor into maintaining the operational status of smart meters. Costs of this need to be allowed for.

Alt HAN needs to be ringfenced to the obligation. It still has significant challenges and cost overrun and needs a top-level review.

Ofgem must also be ready to review how the DCC handles incident and issues Suppliers raise. Industry has long voiced concern as to how DCC triages and handles incidents. Suppliers must not to be held accountable for DCC incorrectly declaring that issues or incidents are outside of their control.

Ofgem must recognise that the activity required to improve this standard results in higher operational costs for Suppliers. Whilst some operational metrics can be improved through working more efficiently, improving this standard will result in increased field service costs. The

majority of our (and industries) non-operational devices are due to communication issues. Communication issues can only be resolved by attending site.

There exists a contradiction here in the way Supplier operational costs are modelled and accounted for in the price cap. Operational costs are, in simple terms, calculated as an average across all Suppliers. This average is then passed into the price cap as it is deemed efficient by Ofgem. Here is the contradiction between the way in which Suppliers are expected to recover their costs and the standard of service which Suppliers are expected to deliver. If the current average is deemed unacceptable, then allowances must be increased (unless Ofgem believe Suppliers are operating in an inefficient manner.) ahead of increased standards. Utilita incur high metering costs, in part due to high proportion of smart assets and prepay customer base having increased connectivity demands. We attended site 22,000 times in 2024 due to communication issues, this has significant cost.

Ofgem recognise that Suppliers are efficient, so the only interpretation of this standard is that we are expected to increase our operating costs. Ofgem must acknowledge this and increase operational cost allowances to allow for higher standards to be met. Ofgem cannot wait for future operational cost allowance calculations to recalculate the industry-wide average, as doing so ignores their duty under Tariff Cap Act 2018 - Subsection (6)(d) to “the need to ensure that holders of supply licences who operate efficiently are able to finance activities authorised by the licence.”

Non-domestic

Q26. Do you agree that the proposals under consideration in this consultation are beneficial for non-domestic consumers?

Yes.

The Smart Meter rollout conditions apply to these consumers. They should be given the same consideration and protections as eligible domestic consumers.

Q27. Do you agree with the rationale and proposed scope (both in terms of business size, meter type and timeframes, where applicable) of the proposed Guaranteed Standards under consideration in the non-domestic sector?

Profile classes 1-4 are currently covered by the smart meter rollout mandate. For the sake of consistency, it seems best to apply the same standard here.

Q28. Across all the Guaranteed Standards, are there any other opportunities or risks with respect to the applicability of the proposed Guaranteed Standards to the nondomestic sector that we should consider?

The only other factor is the increased likelihood to require specific meter variants or GDN/DNO work.

Q29. If you agree that the Guaranteed Standards under consideration in their present form should be applicable to the non-domestic sector, do you have any suggestions to tailor or alter the details and scope of the Guaranteed Standards to better suit the needs of non-domestic consumers?

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Non-domestic Guaranteed Standard compensation value

Q30. Do you agree that the compensation amount for the Guaranteed Standards under consideration could be further tailored to the non-domestic sector?

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Q31. Which (if any) of the proposed options (Option 1 and Option 2) do you agree with for determining the compensation amounts for non-domestic consumers?

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Q32. Do you have any other considerations to determine the compensation amount for non-domestic consumers?

It would be very challenging to identify an amount and apply it fairly. There is likely to be a large disparity in financial means between non-domestic consumers.