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Ofgem Retail Pricing Strategy Team

10 South Colonnade,
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Sent via email to: debtconsultations@ofgem.gov.uk.

6th February 2025

Dear Ofgem Retail Pricing Strategy Team,

Smart DCC welcomes Ofgem's Debt Consultation that examines a debt relief scheme to address the energy industry's unprecedented debt levels.

It would not be appropriate for DCC to comment on the scheme's design or eligibility. However, we do believe the smart meter system can be used to help identify households needing additional support.

About DCC

The smart meter system is a unique national asset that operates at scale across Great Britain, with over 20 million premises connected. The secure connectivity and data generated holds significant potential to support policy implementation and deliver further public benefit.

The government and Ofgem are continuing to push industry towards a more targeted, data-led approach to resolving the challenge of fuel poverty and energy debt accumulation and these are all ways in which the smart meter system can provide support. This includes the potential for greater insight, better-targeted invention, and direct intervention through the system, such as the ability to contribute to a targeted customer support scheme.

We believe that these opportunities can, and should, be considered by Ofgem in context with a potential debt relief scheme, alongside opportunities to drive up smart meter installations within households. This provides direct benefits for consumers who can more actively understand and then manage their energy consumption, as well as in the longer-term helping establish a more flexible energy system.

The potential of the smart meter system

In line with Government and Ofgem policy and industry demand, DCC has been working to support organisations to understand how the capabilities of the smart meter system can be used to help address the challenge of fuel poverty. Many are pertinent to debt relief (and mitigating the risk of debt accumulation). Key examples include:

- Providing controlled access to data from smart prepayment meters (e.g. low credit alerts, credit exhaustion) which, when combined with other data sets, can be used to identify households facing financial difficulty, enabling targeted interventions and support with financial planning.



- Increasing collaboration between energy suppliers, consumer groups and charities to derive mutual benefit through data exchange and shared understanding of consumer needs and support schemes available.
- Enabling direct intervention through the system such as automated provision of financial support as took place during the Energy Bill Support Scheme (in which households with Smart Prepayment Meters received credit direct to the meter).

We will soon publish a Fuel Poverty Paper which outlines these and other areas in which the smart metering system can be used to provide greater support.

In the interim, we have provided a case study overleaf that offers further detail on how the smart meter system can and is, being used. We would welcome the opportunity to discuss this further as the design and scope of any potential debt write-off scheme is considered.

We will continue to engage with relevant stakeholders across industry. Smart DCC welcomes feedback and is keen to collaborate to support Ofgem's ambition to deliver greater impact for consumers who are facing the challenge of fuel poverty, including those who have built up unmanageable levels of energy debt during the energy crisis.

If you have any questions or would like to discuss the role that smart metering can play in a future debt relief scheme and addressing fuel poverty more broadly, please do not hesitate to contact us.

Regards,

James Ringrow

Director of Strategy

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Supporting fuel poor households through the smart meter system – A case study

Operating the smart metering network generates a range of 'system data' which provides over 3 billion data transactions a month over the network. System data is the information on the message transactions that take place over the smart meter system rather than the contents of those messages – such as the amount of energy used. For example, system data includes an audit trail of pre-payment meter top-ups, alerts when a low credit balance has been reached and likewise, where credit has been fully exhausted.

| Date Time | Message Transaction ID | Message Transaction Description |
|----------------------------|------------------------|--|
| 09/08/2023 18:31:41.329 | 810D |  Combined credit below low credit threshold (prepayment mode) |
| 09/08/2023 18:31:43.306 | 8119 |  Emergency credit has become available (prepayment mode) |
| 14/08/2023 06:31:49.242 | 810D |  Combined credit below low credit threshold (prepayment mode) |
| 14/08/2023 21:01:52.568 | 81AA |  Emergency credit exhausted |
| 16/08/2023 18:02:02.406 | 8119 |  Emergency credit has become available (prepayment mode) |
| 20/08/2023 00:01:57.447 | 810D |  Combined credit below low credit threshold (prepayment mode) |
| 20/08/2023 06:02:00.797 | 81AA |  Emergency credit exhausted |

Source: DCC. System data transactions visible within DCC systems. Indicative activity of a household across several days as a pre-payment meter reaches low credit, uses emergency credit and exhausts this leading to a self-disconnection and spells without any power.

Increasing access to this system data for public interest purposes is a key focus of DCC's data access initiative - 'Data for Good'. We see a unique opportunity for innovation and cross-sector engagement, ultimately for the benefit of consumers by providing greater insight and potential for targeted intervention. Our progress to date has involved DCC working with industry and Ofgem to enable controlled access to a subset of anonymised smart meter data to several organisations, including charities, local authorities and academia.

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This project has enabled participating energy suppliers to collaborate with an approved list of organisations that are seeking access to smart meter system data to support specific fuel poverty initiatives. The four participating suppliers equate to approximately 25% of the installed base of pre-payment meters and the data is now being used to enhance fuel poverty intervention schemes and support further research undertaken by recipient organisations.

Beyond the current agreed data recipients, there has been interest from numerous organisations, including charities (National Energy Action, Citizens Advice, Fuel Bank Foundation etc), to access the anonymised system data. We will soon be discussing with Ofgem how the sharing of the system data can be expanded to further organisations.