

Evidence gathering session on Prepayment agenda

Agenda items circulated in advance of the Evidence gathering session on Prepayment

From Ofgem
To Stakeholders
cc
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1. Agenda / information note

Objective

Build the evidence base to influence the approach of the Smart Metering Programme to arrangements for Prepayment/Pay As You Go. This is intended to cover arrangements for when all meters are smart with consideration of the transitional period from initial deployment to full roll-out.

Agenda

1. 9-45 – 10.00 Coffee
2. 10.00 – 10.10 Introductions
3. 10.10 – 10.20 Derek Lickorish (Fuel Poverty Action Group) Discussion Paper
4. 10.20 – 10.30 Consumer Perspective – Consumer Focus
5. 10.30 – 11.00 Supplier Approach – transition to smart and planned safeguards
6. 11.00 – 13.00 Discussion on the following questions (20 minutes each)

Overall approach to pre-payment customers with smart meters

- How do suppliers envisage top-up working? (noting that customers will still need to be able to top-up with cash)
 - how will this work normally?
 - what options will be available to customers?
 - What measures are in place in case the WAN communications is not available?
 - does interoperability on change of supplier mean that a common approach is needed?
- What proportion of customers are expected to use prepayment meters in future?
 - Will prepayment meters continue to be a minority payment choice?
 - Could prepayment meters become more popular (like pre-pay in telecoms)?
 - What factors will accelerate or hold back prepayment?
 - What conditions must be present for suppliers or customers to switch/be switched from credit to prepayment (or from prepayment to credit)?
 - Will Time of Use tariffs differ for prepayment meters customers?

Operating Smart Prepayment Meters

- Is customer acknowledgment needed to re-enable supply?
 - how would this work (e.g. positive action when the customer returns to premises like pressing a button to re-enable)?
- Will the meter remain the central interface for prepayment functionality?
 - would it be acceptable to use the In-home display to deliver prepayment functionality (e.g. acknowledgment or entering a code for top-up) given that it may not be permanent?
 - are there other options for allowing prepayment in cases where the meter itself is inaccessible?
- Do any records need to be made at the time of installation (i.e. meter accessibility) to ensure that decisions on prepayment meter switching are taken on an informed basis about the suitability?
- Are there any other functionality / service requirements specific to prepayment that may not have been captured (for example - emergency credit, friendly disconnect hours - remotely configurable, debt to be deducted per time period or as %) ?
- where should the requirements/obligations be set out? Codes/licenses?

7. 13.00 – 13.30 Lunch

8. 13.30 – 15.45 Questions continued (25 minutes each)

Prepayment Meter Infrastructure Polling (PPMIP) and rollout

- What new PPMIP infrastructure is needed?
 - What PPMIP infrastructure will be needed in future?
 - Does the new PPMIP need to be in place before smart prepayment can be switched on?
 - How long will it take to rollout? And can it be rolled out nationwide or would it be better to target some geographic areas earlier?
- What is the future for the existing PPMIP infrastructure?
 - Which parts of the existing PPMIP infrastructure will continue?
 - What coordination is needed around the withdrawal of PPMIP for existing technologies (as happened with token meter withdrawal)?
- How far do rollout plans need to take account of the PPMIP developments?
 - Will there be any areas where smart prepayment meters cannot be installed due to PPMIP infrastructure?
 - Will there be any areas where conventional prepayment meters need to be removed due to PPMIP infrastructure?
 - Are there "tipping" points which mean that it becomes uneconomic to support the existing PPMIP infrastructure?
 - How geographically concentrated are prepayment meters today, and will that affect rollout patterns?
- Are there other reasons why prepayment meters may be or should be prioritised or delayed?
 - To what extent will cost-to-serve savings encourage faster installation for prepayment customers?
 - Should prepayment customers be prioritised for other reasons?
 - Due to potential early life failure modes should targeting prepayment customers for later roll-out be considered?
- Are there any specific requirements for prepayment customers at installation?

- What training do customers require in how to use their meter?
- Is there any requirement to train customers who do not use prepayment now, but could use prepayment in the future?
- Are there any other measures required at the time of installation?

9. 15.50 – 16.00 Wash-up and Review