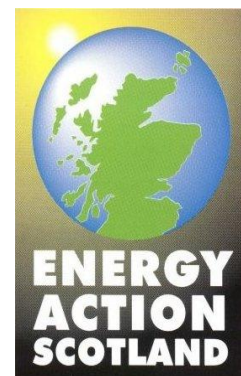


Response to Ofgem – Review of Current Metering Arrangements



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Introduction

Energy Action Scotland (EAS) is the Scottish charity with the remit of ending fuel poverty. EAS has been working with this remit since its inception in 1983 and has campaigned on the issue of fuel poverty and delivered many practical and research projects to tackle the problems of cold, damp homes. EAS works with both the Scottish and the UK Governments on energy efficiency programme design and implementation.

Fuel Poverty in Scotland

The Scottish Government is required by the Housing (Scotland) Act 2001 to end fuel poverty, as far as is practicable, by 2016 and plans to do this are set out in the Scottish Fuel Poverty Statement. The number of Scottish households living in fuel poverty dropped from 756,000 (35.6%) in 1996 to 293,000 (13.4%) in 2002. Half the reduction was due to increases in household income, 35% to reduced fuel prices and 15% to improve energy efficiency of housing¹. The most recent figures² from the Scottish House Condition Survey in Key Findings Report show that there were 586,000 households living in fuel poverty in Scotland in 2008, representing 27% of the total.

According to figures produced by the Scottish Government³ early in 2008, for every 1% rise in fuel prices an estimated 8,000 more households would go into fuel poverty. Based on these figures EAS estimates that there are currently 850,000 households, around one in three, in fuel poverty in Scotland. This significant increase in fuel poverty is widely accepted to be due to the dramatic increases in domestic fuel prices and EAS is very concerned about the impact on vulnerable customers.

General Views

Energy Action Scotland (EAS) is primarily concerned about the aspects of metering that relate to vulnerable and fuel poor consumers and this response concentrates on the elements of the proposed review that are most likely to have an impact on fuel poverty. EAS is pleased to note that Ofgem considers 'the extent to which current rules, codes of practice and protocols for metering sufficiently protect the consumer' to be a key point of interest and recommends that this be a Principal Review Issue within the review.

EAS believes that smart metering technologies have the potential to offer real benefits and contribute positively to the eradication of fuel poverty. For this to happen, however – i.e. to effect genuine, long-term behavioural change – smart meter implementation must be accompanied by the appropriate support mechanisms including tailored, face-to-face advice for consumers.

Although EAS agreed in principle with the proposed functionality⁴, there are some concerns that have not yet been fully addressed:

- How meter function will be used by suppliers
- How functionality (and the implications attached) will be communicated to consumers
- Remote disablement and enablement

¹ Fuel Poverty in Scotland: Further Analysis of the Scottish Housing Condition survey 2002

² Revised Scottish House Condition Scotland Key Findings Report 2008

³ Estimate of Fuel Poverty Households in Scotland: Scottish House Condition Survey March 2008

⁴ DECC - Energy Metering - a consultation on Smart Metering for Electricity & Gas - May 2009

- Time of use tariffs
- Definition of 'other designated market organisation' (with regard to remote provision of information)
- Accessibility (e.g. for blind/partially-sighted consumers)

EAS believes that consumers must not be expected to bear the full costs of new technologies and would not support processes that lead to increases in fuel prices for vulnerable and fuel poor consumers.

EAS welcomes the opportunity to participate in Ofgem's Review.