

Ofgem Smart Metering Implementation Programme

Response from:

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1. Document Purpose:

This document contains the response from Bglobal PLC, and its subsidiary Bglobal Metering Ltd, to the Ofgem Smart Metering Implementation Programme Prospectus questions required for submission by 28th September, 2010.

2. Background

Bglobal Metering Ltd, part of Bglobal PLC, is an Elexon-accredited Half Hourly and Non Half Hourly Meter Operator (MOP) and Data Collector and Aggregator (DC/DA) providing a full and comprehensive range of smart metering services to UK energy suppliers and businesses.

Additionally Bglobal is a Meter Asset Provider (MAP) and to date has channelled more than £30million in meter asset funding to UK energy suppliers, installing more than 130,000 smart meters into business premises across Great Britain to date.

Smart Metering Implementation Programme: Prospectus

CHAPTER 2 (where responses are requested by 28 September)

Question 3: Do you have any comments on the proposed approach to ensuring customers have a positive experience of the smart meter rollout (including the required code of practice on installation and preventing unwelcome sales activity and upfront charging)?

Answer 3: Meter Operator businesses are likely to be at the sharp-end of the programme and in many cases it is likely that the field engineer will be the main point of contact and service delivery for customers. It is vital that Field Service organisations have a key input into the programme of works, the Smart Code and planning of service delivery programme and associated deliverables as they will be the ones ensuring that the customer experience is a positive one.

Whilst it is vital to get across information and training for the consumer on customer-facing devices (such as the meter position, link to any IHD and the workings of the HAN for example) it is likely that direct selling or cross selling of other services at the point of installation by or on behalf of energy suppliers may be considered undesirable or intrusive by customers. The use of independent field forces working on behalf of many customers and therefore not selling for any one supplier in particular should be considered highly beneficial in the roll out programme. Given the requirement to spend as short a period as possible in the home installing a meter to get the most efficiency out of density presented by the residential programme, time available for cross-selling is unlikely to be available. To ensure trust from a consumer perspective, any direct selling or cross-selling at the point of meter installation on behalf of energy companies should be discouraged.

CHAPTER 3 (where responses are requested by 28 September)

Question 6: Do you have any comments on the functional requirements for the smart metering system we have set out in the Functional Requirements Catalogue?

Answer 6: In our view it is essential that the functional requirements should concentrate on providing a minimum basic defined standard rather than a "wish list" for energy suppliers. By ensuring a minimum specification is in place, this will then allow the competitive market to decide whether added value functions can be delivered for the cost parameter defined or whether there is a demand by Suppliers to produce better functionality as an offer differentiator. We have a concern that the functional requirements for meters may become framed around specific technologies rather than around more general outcomes and deliverables which could be delivered by a range of technologies and solutions (hardware or software) and will undoubtedly change over time as technology develops. We would strongly urge an approach that does not prescribe specific technologies and leaves the solution open to the competitive market to solve and adapt. The chief risks in a prescriptive specification are as follows:

- The current functional requirements are becoming very feature rich. As each new feature is added a cost benefit analysis should be undertaken to confirm the benefit. If not undertaken, this risks an increased cost to the Customer without the appropriate cost benefits being delivered potentially risking the wider benefit of the project as a whole.
- By over specifying a particular functional level of technology only a small number of meter manufacturers and technology providers are likely to want to provide solutions, thus stifling competition and leading to increased cost and a lack of future innovation coming in to deliver future benefits.

- There is risk that the large energy suppliers will demand a highly functional set of requirements which transfers cost and technical risk to manufacturers of technology and meter operators away from the suppliers who are ultimately responsible. Existing and future energy supply market entrants may be unable to support smart metering if the meter is over specified which could then prove a barrier to entry. New entrant energy suppliers do not have the resource, funding and technical infrastructure that is comparable to that of the 'big six'. Their ability to gain influence over meter design is correspondingly smaller, with many of the advanced meter features providing competitive differentiation or even future advantage. To ensure their full participation in the smart metering arrangements and continued ability to compete, it will be helpful to focus on minimum feature sets that they can share in as a basis for their competitive innovation, without mandating complexity that they do not have the readiness or scale to fully support from day one. If their continued market participation can be encouraged then their ability to adopt advanced smart metering functions will grow over time which will also potentially prove attractive to a growing range of wider organisations.
- Over prescription of technology in the meter creates a clear risk of delay in developing technologies and bringing them quickly to market and achieving a price point for these technologies which delivers the programme's required outcomes and delivers the business case.
- If standards such as DLMS are to be used they should be Global standards not UK specific standards prescribed by a few manufacturers. This would lead to a cartel in our view and not a competitive market.

Question 7: Do you see any issues with the proposed approach to developing technical specifications for the smart metering system?

Answer 7: We see severe risk if the proposed approach is to prescribe a technical solution. Provided that the programme avoids defining a detailed technical specification and instead concentrates on defining the functionality required, then risk is reduced substantially. Technical specifications tend to prescribe where in a solution a particular set of functional requirements should be delivered thus dictating an architecture, which will undoubtedly lead to a lack of opportunity for change, innovation and cost reduction in the future. Technical specifications risk locking-in the industry as a whole to a sub-optimal solution. This is particularly true of data storage and presentation which is best delivered in our view through the wider 'Metering System' including display and communication infrastructure.

Question 16: Do you have any comments on the proposals for requiring suppliers to deliver the rollout of smart meters (including the use of targets and potential future obligations on local coordination)?

Answer 16:

The process by which local co-ordination will be achieved still appears unclear and fraught with potential confusion. Suppliers are legally unable to collaborate on competitive customer matters so will be nervous to work together unless the appropriate legal and regulatory framework is in place and reviewed by their businesses. At the moment much of the language in the Prospectus is too high level and vague to build confidence, so the process by which this is converted into a delivery baseline that is signed off is an area of key transparency requirement.

If Energy Suppliers are to remain as the co-ordinating bodies for the metering roll out programme, it is essential in our view that they should ensure they embrace competition and the experience of third-parties which are already established in the marketplace. There is risk in an approach which takes all programme roll out activity in-house whereby each supplier is exposed to being a single point of failure if their programme falters through technical or capability failure. The need to recruit, train and develop workforces to deliver the installation

programme is clear and the sooner the programme starts the better in our view. There is risk to smaller independent meter operators working today in the market which have taken the time and effort and expense to train a skilled meter fitting workforce that large suppliers engage in predatory Transfer Undertakings of Protected Earnings (TUPE) activities, aiming to pull in a trained workforce at the expense of less sizable or well-funded businesses and the industry should seek to discourage and outlaw such activity both before and during the programme.

CHAPTER 4 (responses requested by 28 September)

Question 17: Do you have any comments on our implementation strategy? In particular, do you have any comments on the staged approach, with rollout starting before DCC services are available?

Answer 17: In our view the smart metering programme should start as early as possible. Any excuse to delay should not be encouraged. There should be no barrier to Suppliers putting in existing technology themselves or through third parties. Smart meters which are installed before the outcome of the DCC is realised should be allowed to remain on the wall and revisits (which are expensive) are to be discouraged. If meters installed before the outcome of the programme design process or DCC are completed are forced to be removed, this will create a significant upfront barrier to gaining vital meter asset funding from prospective MAPs, which in turn will lead to a flight by such financiers from the UK market.

Starting the staged approach before the DCC is a sensible approach so long as Suppliers do not face stranded asset risk. The statements of Suppliers starting early at their own risk in the Prospectus were very badly received by the market and caused significant supplier and investor uncertainty.

Fortunately this appears to be simple to deal with. Approved central services and DCC equivalents offered by the market proactively could be 'accredited' by either the programme delivery authority or the relevant central body as DCC compliant, identifying potential areas of change upfront and approving the service for operational use on a transitional basis.

Suppliers who seek to use the existing data exchange methods such as Supply Point Administration in gas and the Data Transfer Network in power would then have the confidence this is not a stranded risk. A lack of confidence in the financial investment risk is the largest impediment to an early roll-out.

Additionally there is a significant factor which we do not believe has been addressed in any of the documentation we have read to date, that of the need to upgrade meter firmware in the future. If assets are owned by a finance house (an independent MAP) and used by energy suppliers, and a central DCC is responsible for reading and maintaining these meters, the need to roll out upgrades to firmware to each meter will be a very substantial and risky undertaking. Given the risk of damaging the meter's operating system or causing fault at the meter point through poorly executed upgrades, it may be that MAPs will be unwilling to allow a third-party to upgrade their assets on their behalf. MAPs stand to have millions, perhaps billions, of pounds at risk and the DCC, if responsible for such tasks, may risk having substantial liabilities to MAPs in the future by damaging such assets. Bglobal has extensive experience of this issue and is aware that MAPs are likely to contract with separate, trusted Meter Operators, which have developed experience over time of the complexities of firmware upgrades, to upgrade their assets over the full life of the assets. A regulatory framework which recognises this issue and allows trusted third-parties to work directly with the meters on behalf of their owners is essential if there is to be a flow of funding into assets in this sector. This issue should not be underestimated in complexity or risk.

Question 18: Do you have any other suggestions on how the rollout could be brought forward? If so, do you have any evidence on how such measures would impact on the time, cost and risk associated with the programme?

Answer 18: Bglobal strongly advocates that the current competitive metering services model as used in the I&C metering market today be used to underpin the process for the residential roll out. To date we have rolled out 130,000 industrial and commercial meters to business all over Great Britain from the Isles of Scilly to the Shetlands. The complexity of the I&C market is far greater than that of the residential market in terms of levels of customer service and cost of service required

Bglobal Metering is preparing to invest in meters and to offer smart metering services and is engaged in a programme of works to deliver 5m meters to the residential market on behalf of energy suppliers, and will use a business model very similar to that we have used and proved in the NHH I&C market to date..

Greater involvement of Meter Agents such as Bglobal Metering appears vital to the successful roll-out, particularly as we uniquely have experience of the entire end-to-end value-chain, the complexity of the entire process, the potential for delay and how to mitigate and manage the risk of delay at every step of the way.

Question 19: The proposed timeline set out for agreement of the technical specifications is very dependent on industry expertise. Do you think that the technical specifications can be agreed more quickly than the plan currently assumes and, if so, how?

Answer 19:

In our view it is essential that the functional requirements should concentrate on providing a minimum basic defined standard rather than a “wish list” for energy suppliers. By ensuring a minimum specification is in place, this will then allow the competitive market decide whether added value functions can be delivered for the cost parameter defined or whether there is a demand by Suppliers to produce better functionality as an offer differentiator. We have a concern that the functional requirements for meters may become framed around specific technologies rather than around more general outcomes and deliverables which could be delivered by a range of technologies and solutions (hardware or software) and will undoubtedly change over time as technology develops. We would strongly urge an approach which does not prescribe specific technologies and leaves the solution open to the competitive market to solve and adapt. The chief risks in a prescriptive specification are as follows:

- Final cost to the consumer rises if there is an increased requirement of functionality required to deliver the benefits required.
- By over specifying a particular functional level of technology only a small number of meter manufacturers and technology providers are likely to want to provide solutions, thus stifling competition and leading to increased cost and a lack of future innovation coming in to deliver future benefits.
- There is risk that the large energy suppliers will demand a highly functional set of requirements which transfers cost and technical risk to manufacturers of technology and meter operators away from the suppliers who are ultimately responsible. Existing and future energy supply market entrants may be unable to support smart metering if the meter is over specified which could then prove a barrier to entry. New entrant energy suppliers do not have the resource, funding and technical infrastructure that is comparable to that of the 'big six'. Their ability to gain influence over meter design is correspondingly smaller, with many of the advanced meter features providing competitive differentiation or even future advantage. To ensure their full participation in the smart metering arrangements and continued ability to compete, it will be helpful to focus on minimum feature sets that they can share in as a basis for their competitive innovation, without mandating complexity that they do not have the readiness or scale to fully support from day one. If their continued market

- participation can be encouraged then their ability to adopt advanced smart metering functions will grow over time which will also potentially prove attractive to a growing range of wider organisations.
- Over prescription of technology in the meter creates a clear risk of delay in developing technologies and bringing them quickly to market and achieving a price point for these technologies which delivers the programme's required outcomes and delivers the business case.
 - If standards such as DLMS are to be used they should be Global standards not UK specific standards prescribed by a few manufacturers. This would lead to a cartel in our view and not a competitive market.

In addition expertise exists across the market, but particularly in existing metering businesses. There is a very limited pool of industry experience in central arrangements. Therefore a dialogue is required to establish how resources can be freed from these areas, perhaps by change being put on hold for a mandated period would be helpful.

Additionally although Ofgem regulates only Suppliers, there is great expertise available from the Meter Agent and vendor markets which could be incorporated into the industry work.

Question 20: Do you have any comments on our proposed governance and management principles or on how they can best be delivered in the context of this programme?

Answer 20: No

Smart Metering Implementation Programme: Statement of Design Requirements

CHAPTER 3 (responses requested by 28 September)

Question 1: Should the HAN hardware be exchangeable without the need to exchange the meter?

Answer 1: Yes

Question 2: Are suitable HAN technologies available that meet the functional requirements?

Answer 2: Yes.

Question 3: How can the costs of switching between different mobile networks be minimised particularly in relation to the use of SIM cards and avoiding the need change out SIMs?

Answer 3: There is a major assumption in this question that GPRS will be the only solution for communications. This is a dangerous assumption to make in our view. Bglobal Metering is currently the largest purchaser of M2M SIM cards in the UK outside the traditional telecommunications sector. We have deployed more SIM cards into I&C sector meters than any other meter agent in the UK in the last five years and as such we have a huge amount of experience. It is important that this consultation understands that a range of technologies are going to have to be used to gain 100% coverage over the UK. GPRS, whilst applicable for a majority of sites perhaps, is not appropriate for all sites. Other technologies, particularly broadband and other internet technologies, are far more appropriate from a cost perspective than GPRS in areas of particularly high density offered within cities in particular. PLC and other technologies may also be appropriate in certain circumstances.

The substantial costs in metering are encountered over time not through the purchase and deployment of metering or communications assets, but in return visits to meter positions by trained engineers carrying out works. Mobile networks themselves need not be a blocker to “churn” where SIM cards are being used as they tend not to own the assets and this in our view is an incorrect assumption that the networks will operate as service providers, managing churn and the swapping of passwords and security details to meter readers. We do not believe the Network Provider will want to undertake this role. The complexity of this work is substantial, detailed and costly to perform. Instead the assets are owned by agents such as Bglobal Metering who are expert in managing all the issues around security and access.

Appropriate Commercial agreements will resolve any issue related to communications channel churn (or SIM churn where GPRS is used) – it is not in the interests of agents or communications channel owners to continue to return to meter points to carry out works. Bglobal has already developed a commercial solution to this issue and therefore is at the forefront of such activity in the C&I marketplace where a mechanism for SIM-use churn is operating between certain agents. Commercial interoperability is imperative because technical interoperability already exists.

Question 4: Do you believe that the Catalogue is complete and at the required level of detail to develop the technical specification?

Answer 4: A detailed technical specification is unnecessary. Instead time should be spent on defining the functional requirements clearly and then let manufacturers build to those requirements. In our view it is essential that the functional requirements should concentrate on providing a minimum basic defined standard rather than a “wish list” for energy suppliers. By ensuring a minimum specification is in place, this will then allow the competitive market decide whether added value functions can be delivered for the cost parameter defined or whether there is a demand by Suppliers to produce better functionality as an offer differentiator. We have a concern that the functional requirements for meters may become framed around specific technologies rather than around more general outcomes and deliverables which could be delivered by a range of technologies and solutions (hardware or software) and will undoubtedly change over time as technology develops. We would strongly urge an approach which does not prescribe specific

technologies and leaves the solution open to the competitive market to solve and adapt. The chief risks in a prescriptive specification are as follows:

- The final cost to the consumer rises with increasing functionality and therefore it is important that each function specified provides a cost benefit if above the 'basic' defined set.needed.
- By specifying a particular functional level of technology only a small number of meter manufacturers and technology providers are likely to want to provide solutions, thus stifling competition and leading to increased cost and a lack of future innovation coming in to deliver future benefits.
- There is risk that the large energy suppliers will demand a highly functional set of requirements which transfers cost and technical risk to manufacturers of technology and meter operators away from the suppliers who are ultimately responsible.
- Over prescription of technology in the meter creates a clear risk of delay in developing technologies and bringing them quickly to market and achieving a price point for these technologies which delivers the programme's required outcomes and delivers the business case.

Question 5: Do you agree that the additional functionalities beyond the high-level list of functional requirements are justified on a cost benefit basis?

Answer 5: A mandatory minimum set of functional requirements only should be defined. Market competition and the natural process of differentiation will then drive up the availability of added value features.

Question 6: Is there additional or new evidence that should cause those functional requirements that have been included or omitted to be further considered?

Answer 6: By specifying the core minimum requirements only, rather than a technical specification, these core requirements will not change and will prove to deliver a positive net-benefit to the UK. Anything in addition to that will be delivered by those competing in the market to deliver value-add service to the customer.

CHAPTER 5 (responses requested by 28 September)

Question 7: Do you agree that the proposed approach to developing technical specifications will deliver the necessary technical certainty and interoperability?

Answer 7: There is no such thing as technical certainty as technology is a constantly evolving. By concentrating on technology you limit options. Commercial interoperability is the key, not technical interoperability to make the market work and to deliver ongoing innovation and cost-reduction over coming years.

A primary issue with interoperability is one of MAPS (the asset owners and funders) knowing at all times who is effectively controlling their meters, who is accessing them and upgrading them with firmware, etc. MAPs will want to know that their assets, worth millions or billions of pounds, are being accessed only by parties they trust and approve and that their assets are not at risk through the actions of third-parties who have gained access to them through the churn process but who may not be technically skilled in looking after them. The potential to damages and render useless millions of meters through poor execution of upgrades is a real risk and one which needs to be considered very seriously. If this issue is not addressed there is risk that meter asset providers (the large non-utility asset funds in particular) will not enter the market and the flow of capital required will not happen.

Question 8: Do you agree it is necessary for the programme to facilitate and provide leadership through the specification development process? Is there a need for an obligation on suppliers to co-operate with this process?

Answer 8: No. Once a set of minimum functional requirements is delivered the technical and service providers to the competitive market will then ensure delivery.

Question 9: Are there any particular technical issues (e.g. associated with the HAN) that could add delay to the timescales?

Answer 9: The more time that is taken to develop and agree a set of functional requirement, then the more time delay risk is created. Agreeing a minimum functional requirements, not a detailed specification for technology is the key to accelerating timeframes so that technology and service providers can develop their offerings to the market place in good time. In respect to the HAN and IHDs in particular, we see these as an interim technology – essentially consumer electronics. There will be rapid innovation in the exposure of energy data and its presentation to the customer and consumers will in time have substantial choice as to how they receive their data, through an IHD device, through the internet, through their mobile phones, through smart apps, broadband providers and television service providers. Prescribing functionality into an IHD maybe an expensive waste of time. The IHD is an as-yet unproven technology new device in the home, and one which is most susceptible to radical, disruptive and rapid innovation. Better in our view to prescribe functional requirements rather than a “hard” technical specification for the HAN/IHD offering to consumers which may fall quickly out of date with consumer and technical drivers.

Question 10: Are there steps that could be taken which would enable the functional requirements and technical specifications to be agreed more quickly than the plan currently assumes?

Answer 10: Do not seek to agree on technical specifications – that then removes this step from the process. Instead agree minimum functional requirements, not a detailed specification for technology, which is the key to accelerating timeframes so that technology and service providers can develop their offerings to the market place in good time.

Smart Metering Implementation Programme: Rollout Strategy

CHAPTER 2 (responses requested by 28 September)

Question 1: Do you believe that the proposed approach provides the right balance between supplier certainty and flexibility to ensure the successful rollout of smart meters? If not, how should this balance be addressed?

Answer 1: It makes sense to ensure that all re-certifications and new installations are fitted with Smart Meters from today onwards. It would also make sense to programme other standard replacement Smart Meter exchanges around the re-certification work to maximise installation work planning efficiencies as far as practical.

Question 2: Would the same approach be appropriate for the non-domestic sector as for the domestic sector?

Answer 2: Businesses, in the main, are more sensitive about when the electricity supply can be switched off, particularly if they have computers, POS terminals, alarm systems etc. More planning is usually needed for these customers than residential customers. The programme of works in the business sector is already underway and accelerating through the involvement of independent participants such as Bglobal Metering. A mandation of all profile class 3-4 meters as well as the currently mandated 5-8 profile classes by 2014 would expedite the roll out of meters in this sector.

Question 3: Is there a case for special arrangements for smaller suppliers?

Answer 3: Most smaller suppliers are already active in the Smart metering rollout to non-domestic customers. The biggest impact is likely to be felt with those dealing with the residential market because of the increased costs in supporting IHD's and WAN/HAN.

Non-domestic Smart meters may drive a change to elective HH which could impact on some smaller suppliers to support this type of billing.

We anticipate that we could aggregate our strength in the market to help support smaller Suppliers.

CHAPTER 3 (responses requested by 28 September)

Question 4: *What is the best way to promote consumer engagement in smart metering? As part of broader efforts, do you believe that a national awareness campaign should be established for smart metering? If so, what do you believe should be its scope and what would be the best way to deliver it?*

Answer 4: It is important that the market is open to new entrants with stronger brands and better customer engagement mechanisms than the incumbent energy suppliers. 'big six' Supplier brand image is generally poor, trust is lacking, and is unlikely in our view that customers will react to campaigns run by them.

The programme must be careful to make sure that a strong message to would-be entrants is clear – the market is open for new entrants. Any sense that the programme is a closed shop being run by the 'big six' will stifle new entrant activity and innovation in the field, which is after all a primary purpose of a competitive market.

At the level of the meter roll out programme, a comprehensive national awareness will be very important for residential customers to prevent unnecessary alarm/concern, particularly amongst older residents who may not understand or feel the need for modern technology. Care also needs to be taken that the meter itself is not promoted as providing the savings but is a means of enabling/managing this function as part of a wider active engagement between the consumer and the energy provider.

Whilst 'Customer pull' could become a great driver for the domestic Smart meter project, measures need to be in place to also set expectations or this could lead to customer backlash if demand exceeds the ability to supply/install.

Such a programme should be independent of the current energy suppliers to ensure customer trust is won.

Question 5: *How should a code of practice on providing customer information and support be developed and what mechanisms should be in place for updating it over time?*

Answer 5: Use should be made of some of the excellent organisational bodies that already exist to promote understanding and explain items in a language that Customers understand. This includes companies/bodies such as EnergyFocus, AgeUK, Housing Associations, etc.

This should be treated as an evolution under standard Licence Conditions

CHAPTER 4 (responses requested by 28 September)

Question 6: *Do you agree with the proposed obligation on suppliers to take all reasonable steps to install smart meters for their customers? How should a completed installation be defined?*

Answer 6: Yes, suppliers have the available data. Tracking customers who change supplier more frequently and preventing these customers being on more than one list could be a possible issue.

Installations need to be classified as single fuel or dual fuel metered (not necessarily provided by the same supplier). Allowances must be made where databases are out of date or incorrect. Sites which may be designated single may be dual and dual may be single.

Whilst ideally both fuels should be designated as complete before a domestic site is 'complete' a number of factors may make this impractical from an efficiency point of view, ie. availability of installation resource, meters, etc. for one of the fuel meter installations. Co-ordination between different suppliers may also not be as practical when very large volumes have to be synchronised. A central database collating full completed installations may be the answer.

Question 7: Do you think that there is a need for interim targets and, if so, at what frequency should they be set?

Answer 7: Yes. The targets should be aggressive so as to stimulate the market into early action. Targets for installs should begin in 2011 to drive activity quickly otherwise a 2016/17 end date is at risk.

Question 8: Do you have any views on the form these targets should take and whether they should apply to all suppliers?

Answer 8: Yes they should apply to all suppliers. The 'big six' have special responsibility and as such new conditions in their license agreements should be considered to ensure they do not delay unduly.

Question 9: What rate of installation of smart meters is achievable and what implications would this have?

Answer 9: Bglobal are already installing 1000 meters every three days in the commercial and industrial sector today, which is a more complex marketplace than residential metering. We have experienced the issues of scale and growth in our business and have learned a great deal in the five years that we have been installing meters and reading them. The processes around installing meters in the residential sector are less complex than in the I&C market where there is a great deal of cost and different activity in the process and a lack of density preventing proper workforce efficiency. Density is offered by the residential market on a scale which is not achievable in the I&C marketplace.

The industry as a whole should be seeking to install more than 40,000 per day within three years from today in order to achieve the Government's aims in our view. There is strong precedent in other European countries for the roll out of tens of thousands of meters every day and we see no reason to suspect that the UK cannot achieve the same volumes.

As an independent metering services provider Bglobal Metering is making its plans to install substantial numbers, counted in thousands, per day in the residential marketplace on behalf of energy supply customers, providing a full end-to-end service in the process including a fully funded MAP service, taking the meters off suppliers' balance sheets.

CHAPTER 5 (responses requested by 28 September)

Question 10: Do you have any evidence to show that there are benefits or challenges in prioritising particular consumer groups or meter types?

Answer 10: Attention should be paid to servicing the fuel poor in particular and removing expensive per-payment metering technology which leads to this segment having to pay excessive power process.

There will be undoubtedly benefits in co-ordinating certain customer groups such as Housing Associations, Local Authorities etc. and Government departments in order to help achieve key initiatives such as 10% reduction in carbon generated by Government in the next 12 months, etc. These organisations have established infrastructures which can not only improve the communication links but can also assist with access and agree/specifying the most successful time of day/date etc, to undertake the work.

Aligning the needs of customers with Field Service support to provide this will deliver the benefits. There are currently a range of tariff structures that are not readily supported by Smart Metering because of legacy control issues. These include teleswitch tariffs. Further work needs to be undertaken to address the right solution for these types of tariffs etc.

CHAPTER 6 (responses requested by 28 September)

Question 11: Do you agree with our proposed approach to requiring suppliers to report on progress with the smart meter rollout? What information should suppliers be obliged to report and how frequently?

Answer 11: Yes, This reporting should be fully public and at least be monthly in frequency. This will not only help with understanding how the rollout is succeeding but the reporting visibility should drive competition and customer demand. Suppliers should also report (with anonymity if necessary) on specific problem areas so that lessons can be quickly learnt and help minimise possible bad publicity or misunderstandings if better steps/processes were developed to tackle these specific issues.

CHAPTER 7 (responses requested by 28 September)

Question 12: Do you agree that there is already adequate protection in place dealing with onsite security or are there specific aspects that are not adequately addressed?

Answer 12: It is vital that the public has confidence in the integrity of UK meter installers and that the programme of works is not open to abuse by those seeking to use the opportunity for criminal purposes. A code of practice, accreditation and identification must be developed across the industry by all parties to ensure the public can have trust in the programme and the people working in it, particularly those in the field working directly with the public and entering homes and private premises.

Question 13: Do you agree with our proposal to require suppliers to develop a code of practice around the installation process? Are there any other aspects that should be included in this code of practice?

Answer 13: Yes, Meter Installers need to understand the requirements and expectations particularly for domestic customers.

Meter Installers will need to be provided with specific question/answer examples around areas such as:

- When will I get my first Smart Meter bill?
- How do I start getting benefits from my new meter?
- What if my WAN network goes faulty?
- What happens if my HAN network goes faulty?
- What if my IHD goes faulty?
- What happens if tariff prices change – how quickly will my IHD be updated?

Smart Metering Implementation Programme: Implementation Strategy

CHAPTER 2 (responses requested by 28 September)

Question 1: Do you have any comments on our proposed governance and management principles or on how they can best be delivered in the context of this programme?

Answer 1: The Smart Code and other such governance frameworks should be simple, easily understood frameworks which underpin the programme for both gas and electricity. They should embrace competition and innovation at the core. We agree that the consumer should be at the heart of the programme, not the interests of energy suppliers or other industry participants.

CHAPTER 3 (responses requested by 28 September)

Question 2: Are there other cross-cutting activities that the programme should undertake and, if so, why?

Answer 2: There would need to be a change freeze on any conflicting updates and possibly those which overlap this development.

CHAPTER 5 (responses requested by 28 September)

Question 3: Do you agree with our proposal for a staged approach to implementation, with the mandated rollout of smart meters starting before the mandated use of DCC for the domestic sector?

Answer 3: The implementation of smart meters must begin before the establishment of a DCC which may yet have substantial technical, process and governance difficulties which could lead to substantial delay in its implementation. The roll out of smart meters should not be allowed to be affected by this DCC risk as the roll out and the reading of meters over time are different activities.

Question 4: Do you have any comments on the risks we have identified for staged implementation and our proposals on how these could best be managed?

Answer 4: The implementation of smart meters must begin before the establishment of a DCC which may yet have substantial technical, process and governance difficulties which could lead to substantial delay in its implementation. The roll out of smart meters should not be allowed to be affected by this DCC risk as the roll out and the reading of meters over time are different activities.

Question 5: Do you have any other suggestions as to how the rollout could be brought forward, including the work to define technical specifications, which relies on industry input?

Answer 5: As mentioned in other answers, the focus should be on functional specification not technical specification. The model used in the commercial and industrial market could easily be

adopted quickly to begin the roll out and an environment which allows for independent MAPs and finance houses to feel comfortable in funding meter assets are essential to accelerate the roll out. Without independent third-party asset funding the programme is at severe risk of delay. The Government and this programme must encourage such investment and create the environment to make that happen.

Question 6: Do you agree with our planning assumption that a period of six months will be needed between the date when supply licence obligations mandating rollout are implemented and the date when they take effect?

Answer 6: No.

Question 7: Do you have any comments on the activities, assumptions, timings and dependencies presented in the high-level implementation plan?

Answer 7: We do not believe they bring forward the start of the roll out activity early enough. We believe that a more aggressive start date should be adopted for roll out through the use of current metering technology and service providers to ensure programmes start as early as possible.

Question 8: Do you have any comments on the outputs identified for each of the phases of the programme?

Answer 8: no.