

**Response to Consultation on Prospectus
Smart Metering Implementation Programme
From the Cornwall Residential Landlords Association**

The Cornwall Residential Landlords Association is the only association actively representing the private rented sector throughout Cornwall. The Association exists to represent, inform and assist landlords with properties in Cornwall and this response is made on behalf of that association. Unfortunately, due to the extremely short timescale between publication of the Prospectus and associated documentation and the requirement for replies to initial questions it has not been possible to actively consult with our members on this topic. We, therefore, reserve the right to expand our replies when making further responses to those questions which are set for reply at the end of October. Unfortunately, it would appear to now be common practice for the current government to ignore the laid down policy of a minimum of 12 weeks for a consultation to take place. This document relates solely to domestic consumption but could equally apply to small non-domestic consumers.

The published Prospectus which forms the basis for the consultation makes it clear that there have been various discussions and meetings prior to the issue of the document on which this consultation is based. There are a number of supplementary documents to the Prospectus but we have not been able to consider these due to the extremely short timescale for providing replies to the initial questions so there may be explanations, duplications or contradictions of which we are unaware.

A general comment is to the scope of the smart meter itself. Considering the moves to encourage all home owners to move across to metered water, so would it not be sensible to include water metering the smart meter and to include the water industry in the DCC.

The purpose for providing smart meters must be applauded and priority must be given to those people who are already identified as in fuel poverty as well as those at risk. This will inevitably mean those in receipt of benefits, those at risk of redundancy and the elderly – not necessarily in that order.

Is there any proposal for the roll out of the mains gas network along with the smart meters? We could not see anywhere an indication that the meters will work with liquid petroleum gas (e.g. Calor). Rural areas see a high level of fuel deprivation which will not be considered or resolved by the proposals to install Smart Meters due to the inability to connect to the mains gas network.

The consumer, whether domestic or otherwise, must not under any circumstances be made responsible for the costs of the smart meters, the administration costs or the costs of setting up the body/company referred to as the DCC. Energy suppliers must be made responsible for those costs and the accounts of each of the supplier companies must clearly identify where funds for this purpose have been found.

The Prospectus appears to require that the smart meters will be rolled out over a period but we have been unable to identify what timescale is proposed. There is no explanation as to the proposed lifespan of a Smart Meter. The concern here is that even a relatively short period is sufficient to see technology become obsolete leading to the risk that smart meters installed at the early part of the process will need upgrading before the end of the roll out period. There is a clearly stated intention that the software should be upgradeable without removal of the meter but what provision is there for upgrade of meters? It may be that the provision of an input device such as a USB port would be sufficient for inclusion of subsidiary devices to upgrade a meter, such device not to be charged to the consumer. Supplier companies must not be permitted to use the upgrade as an opportunity to charge consumers. Equally, at no point may a visit relating to the meter at a property be used as a chance to recruit new customers by any supplier or be seen as implying taking out a new contract with a supplier.

One of the stated benefits of the new smart meter system is that it will be easier to identify savings available by change of suppliers and faster to achieve such a change. To be able to take advantage of this benefit suppliers must give shorter contracts, if a consumer is tied in to a contract for a year or more then the savings opportunities will not be available.

The question of remote termination is of concern. With the best will in the world errors are made. If termination can be made remotely then a system needs to be put in place to ensure that the correct supply is terminated and that the reason for termination is not due to an error in the meter or software. This will require a visit to the property to ensure that the meter reading corresponds with the reading at the central data collection point. To ensure that the vulnerable are not left at risk it may be that a court order system similar to those imposed on the residential landlord could be required. This would mean a notice period being served on the consumer followed by a court hearing prior to termination of any supply. Reconnection of a supply carries risks which may require an electrician or gas engineer to visit a property to ensure all safety measures are carried out prior to the reconnection. If a consumer is unable to pay their fuel bill it is unlikely that they would be able to pay the extra cost of a visit from the electrician and/or gas engineer and funds need to be set aside to pay for such visits. If it is considered the court system would be unable to handle the level of extra work then an arbitration system should be put in place, possibly along the lines of the work undertaken by ACAS in employment law.

Where the consumer is a tenant it is essential that the owner of the property is made aware of the risk of termination and the subsequent reconnection of supplies. Regardless of the issue of termination of supply for quality control purposes regular visits to read meters will still be required.

We could not understand how the data would be fed from the meter to the central processing centre. It would not be possible to rely on the telephone lines or broadband system at a property as many properties no longer have telephone lines, preferring to use mobile 'phones or broadband connection. There are still many rural areas where broadband is not available. The same applies to use of a television aerial with an increasing number of people now rejecting the television.

It is not clear how or where the meters will be sited. Will the smart meter be sited outside as is currently the case with many properties? If it is outside how will the connection be made to the monitoring device.

In the paragraph headed '**Implementation and next steps**' reference is made to 'governance and management arrangements' being decided upon later this year. Does this mean yet another consultation? If so, what commitment is there to the consultation being given at least the required six weeks? There is not a lot of time left to this year to commence such a consultation!

The issue of accessibility for disabled customers is raised in the Prospectus including proposals for audio output for the benefit of blind or partially sighted customers. We would request that a volume control be fitted so that those who are blind or partially sighted and also hard of hearing can also enjoy the benefits of the system. Where a property is rented the landlord should be made aware of the type of system fitted.

There is a proposal that the level of detail of data to be extracted by the central data collection centre will vary according to the mode of operation. An explanation for the reasoning behind this would be appreciated. All consumers should be entitled to an equal level of data made available to them and no consumers should be singled out for extra regulation.

Consumer awareness regarding the need for and benefits of smart meters will need to be promoted. Local radio, Citizens Advice Bureau offices and the local authorities will all be able to play a part in assisting with this. We would suggest that a way of encouraging take up of smart meters would be for the inclusion of a free or greatly reduced cost EPC to be provided at the same time as the installation of the meter thus identifying ways in which the consumer can reduce costs, possibly funded by the energy suppliers.

Responses to Individual Questions identified as requiring reply 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)

As stated earlier we believe that priority must be given to those people who are already identified as in fuel poverty as well as those at risk, including those in receipt of benefits, those on pensions and those at risk of redundancy. Consideration must be given to accessibility to those with disabilities, particularly those with complex needs.

Suppliers must be responsible for the full costs of the new system with identifiable areas in their accounts to demonstrate how the costs have been funded.

Supply of smart meters, their repair and upgrade must not be tied in to contracts between a consumer and supplier. Contracts with suppliers should be made more flexible to enable consumers to take advantage of the savings to be made through changes of supplier.

We believe that it is essential that strict controls are put in place to ensure that any error(s) in meter readings are identified and procedures put in place to prevent recurrences.

We believe that disconnection of any service should be a last resort and should be administered

through a court system or arbitration system

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?

As already stated due to the short time given for this consultation none of the supplemental documents have been considered. However we consider that the meters should not be constrained to providing metering and information relating to mains gas and electricity. Unless the mains gas network is to be expanded to include all properties consumers will need the same information relating to their lpg usage as to mains gas. It would seem to be cost effective to also include water metering in the system and so roll out the water meter system at the same time.

Smart Meters need to be easily upgradable both hardware and software possibly through provision of ports for the connection of additional hardware. Any such upgrade must be governed by the same requirements as the initial installation i.e. supplier companies must not be permitted to use the upgrade as an opportunity to charge consumers, for sales pressure to be applied or to imply the start of a new contract with the consumer.

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

Please see the reply to Question 6.

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 co-ordination)?

Please see the reply to Question 6.

Setting of targets should be on a regional basis and not with individual suppliers except possibly each supplier in a region being set a percentage of the target required. Supplier companies may well be able to trade on the target in the same way as with carbon trading, thus a company supplying meters above their allocation may be able to sell that excess to a company in the same region which has been unable to meet its allocation.

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?

As a general comment, assuming that the meters are easily upgradeable as above then the benefits to consumers of seeing how energy efficiency fluctuates and ways of managing energy consumption can only be beneficial. The draft code of practice preventing companies from using these installations as opportunities to sell to consumers must be stressed to all suppliers.

If the roll out becomes dependent on the formation of the DCC and its services then a deadline must be set for the start of that company's formation. Experience with the Tenancy Deposit Schemes has shown that following the production of a tender and the subsequent government considerations set up of the chosen company and commencement of trading can take well over a year. The experience outlined shows that the anticipated date of 2013 for establishment of DCC may be a challenging deadline. Therefore we would encourage the early roll out of meters and their associated benefits.

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?

We are unable to comment on this.

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?

We are unable to comment on this.

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?

We are unable to comment on this.

Prepared for Cornwall Residential Landlords Association

**By [REDACTED]
28 September 2010**