

Smart metering implementation programme consultation prospectus
response by



Q1. Do you have any comments on the proposed minimum functional requirements and arrangements for provision of the in-home display device?

We believe that smart meters should be as easy to use as possible in order to facilitate ease of understanding to consumers and ease of demonstrability for all installers.

Q2. Do you have any comments on our overall approach to data privacy?

We believe that all systems which are developed and deployed should be Government approved.

Q3. 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)?

We believe that customers' experience of the smart meter roll-out could be greatly improved if installation could be carried out not just by the agents of energy suppliers, but also by independent and registered installers as part of their existing client work i.e. when they are already in a property by invitation for other work.

Professional, independent engineers

The installation of smart meters is a simple task to a qualified and fully trained engineer and there is no reason to suggest why the installation engineer of an energy supplier would provide a better level of expertise and professionalism than an independent engineer. Indeed, the registered independent electrical engineer is often far better trained (7 years as opposed to two weeks)

Smart meter induction programme

Any independent engineer seeking to provide smart meter installation service would be required to undertake a smart meter installation induction program to ensure both standardization of rollout and also to ensure that that they fully understand Smart Meter benefits and are able to explain this to Consumers. The induction program would need to be certified by a trade association or other competent authority or body. This induction program should also include instructions on assisting consumers with specific access needs.

Consumer reassurance

It will be more convenient for consumers to have a smart meter fitted as part of an existing visit by an electrician than having to arrange additional visits. Whilst the prospectus notes that 'consumer groups have expressed concerns about risks arising from the need for suppliers to access customers' properties when installations take place', this issue is removed by the fact that the engineers would already have been invited into the homes of customers to carry out other work there.

It is also important to remember that many households have built up relationships of trust with local, independent engineers who they use regularly and that the installation of a smart meter by such an individual could in many cases provide the reassurance that the engineers of energy suppliers could not. This would be true in particular for more vulnerable consumers and, in this context, it should also be considered that many independent registered engineers already have CRB checks.

Also, whilst the prospectus notes that there are concerns over ‘the potential for installation visits to be used by suppliers for unwelcome sales and marketing purposes’, again the installation of the smart meter is not the primary purpose of the visit so this concern does not appear relevant.

It should also be considered that an installation by an independent engineer who is already on site, will save the consumer from the possibility of unwarranted sales pressure for other products by Energy Supplier Engineers.

We would agree with the suggestion put forward in the “*roll-out strategy supporting document*” (section 7.20) and the prospectus (section 2.31) that codes of practice should be developed to ensure that the installation is as positive for the end consumer as possible.

Cost

The cost of installation will be reduced if the installation is undertaken by an engineer as part of his client work. With a typical cost of such an installation to an energy supplier being around £80, it will be significantly cheaper to install a meter as part of existing work than it would be to arrange for a specific visit by an energy supplier or their agents (or sub-contractors) with all the necessary administration, management and aborted or changed visits that this entails.

Further factors which reduce installation costs are:

- As they are already highly trained (average of 7 years), independent engineers would require minimal additional training apart from a short, standardised, induction program lasting around two hours. This would familiarise them with the equipment and train them to become proficient in informing consumers of the smart meter’s functions and benefits.
- Due to a higher level of training than energy retailer engineers (who are often trained only for a couple of weeks) installation by independent engineers may often be quicker.
- There would be no transport costs or time lost due to failure to install as the independent engineer would already be on site attending to other matters.
- There would be no need for costly re-visits due to customers being out.

Physical implementation

There are already procedures in place by which independent engineers notify Local Authorities of well over 2,000,000 Electrical and Gas Installations currently each year.

A simple extension to this system has been agreed between a competent body (trade association) and a major high-street retailer (further details can be provided in confidence on request) whereby the required information for smart meter installation can be verified and provided to the relevant energy supplier. The stages of the system are listed below:

- 1) Engineer presents his registration certificate to the high street supplier, which is verified against a database (this already exists). The high street retailer issues the registered engineer with a smart meter and makes a record of the engineer and the meter serial number, and any existing reading on the meter (i.e from testing and calibration etc).

- 2) Engineer installs the meter and leaves a card with the home owner advising them of the final meter reading of their old meter and the start meter reading of the new meter (if there is one from calibration etc).
- 3) Engineer then informs his trade association (the competent body), using a software system already in use to report work under the Building Regulations (well over 2 million per year of notifications) but which will be expanded with the following six (6) fields of:
 - (i) The start reading of the new smart meter (often new meters have small readings on from calibration and quality control checks).
 - (ii) The serial number of the new smart meter which has been fitted.
 - (iii) The consumers current energy supplier
 - (iv) the energy supplier's customer identification number.
 - (v) The old meter final reading.
 - (vi) The serial number of the old meter.
- 4) Engineer then returns the old meter to the high street supplier. High street supplier then informs the relevant competent body (the same as the engineer), again using a software notification system that is currently being used to notify over 100,000 jobs per year, but amended to include the following of the following four (4) pieces of information for verification purposes:
 - (i) The independent engineers name and registration number
 - (ii) Postal address of the new installation
 - (iii) The old meter final reading.
 - (iv) The serial number of the old meter that has been returned.
- 5) The relevant competent body then confirms or rejects the two sets of information and communicates them to the energy supplier and any relevant central database. This would then allow the energy retailer to update its system and release payment to the independent engineer or to the relevant competent body to pass onto the engineer.

Due to the clear line of communication between the supplier, engineer and competent body and then the competent body and the electrical retailer, the consumer would experience no difference in service than if the installation had been carried out by an energy retailer engineer. Similarly the energy retailer would also receive the information as easily as it would from one of their own engineers.

The installation of both gas and electric functions of the smart meter

Much of the work carried out by Electrical and Gas engineers is part of a larger property refurbishment and as a result it is highly likely that both trades could be present. Also, there are now a number of independent, registered engineers who are proficient with both gas and electrical work.

In the event of only one trade being present, the engineer could notify, with the consumer's permission, their opposite number in the other trade and arrange a visit to the property to fit the other component of the Smart Meter (thus significantly simplifying the visit arrangement process). This individual would also be a professional, independent engineer who is registered with an appropriate body.

It should be noted that the majority of energy retailer engineers specialise in either gas or electric so the energy retailer would probably need to arrange two specific visits themselves

Q4 Have we identified the full range of consumer protection issues related to remote disconnection and the switching to prepayment?

No response

Q5. Do you have any comments on the proposed approach to smaller non-domestic consumers (in particular on exceptions and access to data)?

As with the case of domestic consumers we believe that in many cases the experience of smart meter installation could be made more positive for smaller non-domestic consumers if their meters could be installed by independent, registered and certified engineers whilst already on site carrying out existing work for their clients.

The installation of smart meters is a simple task to a trained engineer and there is no reason to suggest why the engineer of an energy supplier would provide a better level of expertise and professionalism than an independent engineer. In fact we maintain that the opposite is true because independent engineers are trained for an average of 7 years (which is generally far more than the engineers of energy suppliers)

It should of course be required that any independent engineer seeking to provide smart meter installation services must undertake a smart meter installation induction program, certified by a trade association or other competent authority or body, to ensure standardization of both rollout and roll-out information. We would also expect energy supplier engineers to undertake a similar course.

Furthermore the cost borne by the smaller non-domestic consumer will be reduced if the installation is undertaken by an engineer as part of their existing client work. It would be significantly cheaper to install a meter in this manner than it is to arrange for a specific visit by an energy supplier. *(More detailed information on this is laid out in the response to Q3)*

Q6. Do you have any comments on the functional requirements for the smart metering system we have set out in the Functional Requirements Catalogue?

No response

Q7. Do you see any issues with the proposed approach to developing technical specifications for the smart metering system?

We agree that it is essential for the end consumer that equipment at customer premises does not need to change with a change in supplier. Consumers need the ability to be able to choose the most competitive supplier possible for their needs at that particular time. As a result interoperability between suppliers is essential. We expect this to be a very vigorous entry market for a number of companies which will aid innovation and development in British industry in challenging economic climate.

Q8. Do you have any comments on the proposals that energy suppliers should be responsible for purchasing, installing and where appropriate maintaining all customer premises equipment?

We believe that it will be vital for independent registered and certified engineers to install smart meters as part of their existing client work if HMG is to meet its targets to install 50 million by 2020.

Furthermore, if the government wish to shorten the time frame of the roll-out process, the use of independent registered engineers will be essential.

Assisting roll-out

Currently 2 million standard meters are installed or changed each year in the UK. Even if smart meters were used in all of these incidences, 30 million additional smart meters would still have to be installed by 2020 for the UK to meet its target. Considering that the current meter installer workforce is small and that mass access is difficult, this target will be hard to achieve without the use of the system we are proposing. To accelerate the roll-out under the scheme currently proposed by ofgem would be almost impossible.

Electrical and Gas Engineers already visit by invitation around 5.5 million homes, shops, offices and factories a year. If over the next seven to nine years the independent engineers install a smart meter as part of their existing visit, the Government will be greatly assisted in reaching any targets it sets in order to accelerate the roll-out and ensure successful completion ahead of 2020.

Sufficient training

The installation of smart meters is a simple task to a trained engineer and there is no reason to suggest why the engineer of an energy supplier would provide a better level of expertise and professionalism than an independent engineer; indeed independent registered engineers train on average for 7 years. Energy retail engineers train only for a few weeks. Independent, registered engineers would also be required to undertake a standardized course on smart meter installation and customer assistance/information.

Communications systems with energy suppliers already in place

As we have commented (response to Q3) independent engineers would be able to obtain smart meters from national retail outlets. The engineers would then be able to fit the meter as part of their existing client work and communicate all relevant information to the energy retailer.

Reduced cost and simple, centralized billing

The cost for both the Smart Meter supply and the installation by a Registered Electrician could then be billed by the Government Approved Registration Body (such as a trade association) to the appropriate energy supplier and then distributed to the appropriate company.

To keep the supply chain working smoothly and the fact that money is being passed through a supply chain, we would suggest that invoices should be submitted weekly with a ten day payment period.

As we have commented (response to Q3) installing smart meters in this way would also significantly reduce the cost to the energy retailer.

A company with the name 'Smart Meter Installation Ltd' has already been formed along with appropriate Domain Names, which could be made available to handle all installations by independent Registered Engineers on a 'Not for Profit' basis, should it be desired to have a centralised and simplified system

Q9. Do you have any comments that on the proposal that the scope of activities of the central data and communications function should be limited initially to the those functions that are essential for the effective transfer of smart metering data, such as data access and scheduled retrieval of data?

No response

Q10. Do you have any comments on the proposal to establish DCC as a procurement and contract management entity that will procure communications and data services competitively?

We support the proposal to establish the DCC, so long as it is accessible by independent installers.

Q11. Do you have any comments on the proposed approach for establishing DCC (through a license awarded through a competitive license application process with DCC then subject also to the new smart energy code)?

For what we are proposing to work most efficiently, it is important that ALL energy suppliers accept the proposal that independent registered electricians are able to install Smart Meters and that the meter model they install is completely accepted by all and able to communicate to a DCC system

Q12. Does the proposal that suppliers of smaller non-domestic customers should not be obliged to use DCC services but may elect to use them cause any substantive problems?

No, we feel that all suppliers should subscribe to one central system/model

Q13. Do you agree with the proposal for a smart energy code to govern the operation of smart metering?

Yes, as it will ensure a universal standard.

Q.14 Have we identified all the wider impacts of smart metering on the energy sector?

Our proposal is specific to underpinning the roll-out of the installation of smart meters only – however, it is our view that the full benefits of smart meters' to consumers, energy retailers and the British economy will only be fully appreciated when the roll-out is fully underway and innovation and business interests start to explore commercial possibilities.

Q15. Is there anything further we need to be doing in terms of our ensuring the security of the smart metering system?

No, our proposal is specific to underpinning the roll-out of the installation of smart meters only – however, it is our view that the full range of security issues of smart meters' will only be fully appreciated when the roll-out is fully underway and innovation and business interests start to explore commercial possibilities.

Q16. Do you have any comments on the proposals for requiring suppliers to deliver the roll-out of smart meters (including the use of targets and potential future obligations on local co-ordination)?

Assisting roll-out

Almost 50 million 'Smart Meters' will have to be installed by 2020 if the UK is to meet its targets. All homes and many businesses will have to have smart meters installed.

Currently 2 million standard meters are installed or changed each year in the UK. Even if smart meters were used in all of these incidences, 30 million additional smart meters would still have to be installed by 2020 for the UK to meet its target. Considering that the current meter installer workforce is small and that mass access is difficult, this target will be hard to achieve without the use of the system we are proposing. To accelerate the roll-out under the scheme currently proposed by ofgem would be almost impossible.

Electrical and Gas Engineers already visit by invitation around 5.5 million homes, shops, offices and factories a year. If over the next seven to nine years the independent engineers install a smart meter as part of their existing visit, the Government will be greatly assisted in reaching any targets it sets in order to accelerate the roll-out and ensure successful completion ahead of 2020.

The Government states (section 3.50) that it is 'looking to the industry to examine all the opportunities for realising more ambitious but achievable targets for the rate at which suppliers must install smart meters'. We suggest that allowing independent engineers to install smart meters as part of their existing client work, would greatly increase the rate of roll-out compared to a situation where energy suppliers alone are responsible.

More convenient for households

It will obviously be more convenient for consumers to have a smart meter fitted as part of an existing visit by an electrician than having to arrange an additional visit. It is also important to remember that many households have built up relationships of trust with local, independent engineers and that the installation of a smart meter by such an individual could in many cases provide the reassurance that the engineers of suppliers could not. This would be true in particular for more vulnerable consumers and it should also be considered that many independent registered engineers already have CRB checks which are required to work with such individuals.

Professional, independent engineers

The installation of smart meters is a simple task to an independent, registered engineer (who is on average trained for 7 years) and there is no reason to suggest why the installation engineer of an energy supplier would provide a better level of expertise and professionalism than an independent engineer.

To ensure a standardized service any independent engineer seeking to provide smart meter installation services would undertake a smart meter installation induction program certified by a trade association or other competent authority or body. We would also expect energy supplier engineers to undertake a similar program after their short re-training course.

Reduced cost

Furthermore the cost of installation will be reduced if the installation is undertaken by an engineer as part of his client work. With a typical cost to an energy supplier being around £80, it will be significantly cheaper to install a meter in the manner as part of a planned visit for another purpose than it would be to arrange for a specific visit by an energy supplier or their agents (or sub-contractors) with all the attendant administration, management and aborted or changed visits that this entails. *(this information is provided in greater detail in the response to Q3).*

Established communication procedures between independent engineers and energy suppliers

As has been mentioned previously in this document (response to Q3 'physical implementation'), procedures are already in place to ensure that all relevant information regarding the installation of a smart meter installed by an independent engineer would be communicated accurately and quickly to the relevant energy supplier.

Widespread benefit to local economy

As well as being cheaper for energy retailers the use of local, independent registered engineers will have significant benefits for the engineering trade across the country as well as assisting the growth of local economies.

Q17 Do you have any comments on our implementation strategy? In particular, do you have any comments on the staged approach, with roll-out starting before DCC services are available?

We see no problem starting the Roll-Out before the DCC services are available, as long as the meters installed will be fully compatible to the system when it is fully installed so eliminating the need for a re-visit. We are confident that consumer behavioral change can start to be realised whether the Energy Suppliers have energy usage data or not

Q.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 would advise that the technical specifications of the smart meters and the enhanced consumer protections including the code of practice be released as soon as possible in order that the short re-training courses of energy supply installation engineers and the induction program for the fully qualified electricians can commence and roll-out begin.

Q19. 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?

Our proposal does not relate to the technical specifications of the smart meters.

Q.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 believe that monitoring by central Government or an appointed body is necessary to ensure that targets are being met.