



Smart Metering Prospectus

Later Questions

SBGI Response

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Smart Metering Prospectus Answers to Later Questions

The SBGI Response

SBGI Utility Networks is pleased to provide these responses to the prospectus questions on Smart Metering for Gas and Electricity.

SBGI is a trade association representing over 200 UK-based companies in the energy and utilities sector supply chain. It has two operational divisions, Utility Networks and the Heating & Hotwater Industry Council (HHIC), and works in close cooperation with other trade associations within the sector.

Our Utility Networks Division represents gas distribution network owners and the “beach to meter” products and services supply chain thereto, in particular meter manufacturers metering services providers and data and communications system and services providers.

Many of our members will have responded separately to this consultation. The response below highlights views held common by our member companies. In cases where a common viewpoint has not been possible, this clearly stated and our members’ range of views has been documented for information.

SBGI has assessed all responses received from members and we present below some key issues and priorities of our members below. SBGI is committed to being an active participant of stakeholder workshops and meetings on all matters concerning Smart Metering to ensure that we are able to properly continue to represent our members’ common views.



SBGI Responses to Prospectus Later Questions:

Main Prospectus Questions:

General point that SBGI believed needed raising but did not fit as part of any answer:

Daily retrieval of meter data from the meter by the DCC is a minimum requirement. Target for payment data transmission to the meter should be accomplished in 5 seconds –e.g. phone top ups.

Chapter 2:

Question 1:

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

Answer:

Network won't display real time billing – block tariffs hard to support locally – monetary estimate of energy, real time billing synch with billing system is a challenge. Gas CV issue - meter calc of estimate. –Gas (Calculation of thermal energy (COTE)) Regulation prevents accurate gas energy calc. Advance application of CV is a must in order to provide an accurate display of real time spend. Reconciliation ongoing will need addressing. “System of record” needs to be utility billing system, all else is an estimate. Is there a legal requirement to have ability to display in Welsh? Colour elements are likely to be helpful on the IHD. SBGI members would welcome the opportunity to contribute to more detailed discussions on this issue.

Question 2:

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

Answer:

Lots more detail needed – consideration implications for battery power. 1 year data in the metering system will need mechanism to clear (and transfer) on change of occupancy. We support the principle of customer control over their data, but the mechanisms to achieve this are very complex if data is stored in home and central data repositories. E2E policy required. DCC needs to be the “data controller” in terms of the Act – Interim position? Government needs to place the data in perspective and sell the benefits.



Question 4:

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

Answer:

More options than credit and prepayment will be possible. We don't, however, have specific knowledge in this area.

Question 5:

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

Answer:

There may be some advantage to IHD's in small non-domestics. The service providers to non-domestic clients should not be excluded from "smart" data.

Chapter 3:

Question 8:

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?

Answer:

There should be a clear responsibility in the energy code as to what the duties of the supplier and its agents are and how long this responsibility lasts. Is it a one year warranty or ongoing. There also needs to be a clarification of the responsibility for end to end connectivity. Meter & WAN functions are clear – but IHD and HAN are less so. There could be problems with IHD's on 2 step installations, and this will push dual fuel going forward, which may restrict consumer choice. Should new supplier take over responsibility for the IHD on change of supplier? Risk of customer dissatisfaction is significant. Use case analysis of installation and maintenance practices needs to be done. Is it CPE or metering equipment? Financing may be an issue.

Question 9:

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

Answer:

There is a strong consensus view that meter registration should be in DCC as soon as is reasonably practicable and that DCC should co-ordinate the change of supplier process. Holding standing data to enable connection. DCC must be responsible for maintain connections to the meter. However a Service Level Agreement (SLA) will be needed. A two hour installation connection is far too long. Five minutes to register a meter is a realistic maximum time. The physical installation should be the main time factor and registration should not impact installation time. WAN connection and registration are essential before engineer leaves site. Data repository function needs to be prioritised – supplier may not have the interval data if consumer has not granted permission to share. DCC needs to collect data at a high frequency – e.g. daily, with real-time capability for a significant number of points consecutively. There also needs to be Alarms Management.

Data therefore will need to be accessed by third parties under a contractual basis.

Should there be a data channel to other HAN devices? Should there be Radio Teleswitch replacement devices? Standing data for these will need to be held – if the supplier holds this, then industry processes need to be amended to ensure that this data is moved around.

Question 10:

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?

Answer:

This is the best approach – but the DCC needs to procure data security & policies as a key component.

Question 11:

Do you have any comments on the proposed approach for establishing DCC (through a licence awarded through a competitive licence application process with DCC then subject also to the new Smart Energy Code)?

Answer:

The timescales are very challenging and an early RFI would move this forward. We would support any process that helped We would propose that there needs to be a period of cutover to integrate the technical and contractual arrangements before the DCC is fully in control. Perhaps a “shadow” DCC would be a way of achieving this prior to the terms of the license being agreed

Question 12:

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?

Answer:

Market forces should govern this. It will be a measure of success of DCC that it becomes the attractive option for this sector. Consideration needs to be given to how do the DNOs gain access to consumption data for those outside DCC data? This will also apply to half hour maximum demand response solution.

Question 13:

Do you agree with the proposal for a Smart Energy Code to govern the operation of smart metering?

Answer:

Yes. It needs the ability to update other industry codes generally to suit the better quality, more timely data and customer experience enhancement.

Question 14:

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

Answer:

No, the programme should also consider:

- *Any forthcoming legislative or standards changes*
- *Feed-in Tariffs*
- *Micro-Generation*
- *Renewables*
- *Other cross system analysis e.g. does the sum of smart meters equal measurement at substation etc*
- *Other national communications procurement programmes could be coordinated within this approach*
- *Electric vehicles*
- *Pre-payment impact on DCC*

However, we believe that these items could better be considered after the first wave and thus not delay the production of the technical specification.

DCC needs to be flexible around innovation in the energy services sector in all areas. Especially important is payment transaction transport, and management of payment for cash transactions.



Question 15:

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

Answer:

More visibility of the work of the security group is needed such that industry can gain comfort that the measures being proposed are suitable for the technologies and applications. A security framework and security policy needs to be created and this all needs to be considered as Critical National Infrastructure. We should align with EU work. A staged approach to rollout will, inevitably, create greater security risk.

Statement of Design Requirements:

SBGI previously answered this section in our response for 28th September.

Implementation Strategy:

SBGI previously answered this section in our response for 28th September.

Rollout Strategy:

SBGI previously answered this section in our response for 28th September.

Communications Business Model

CHAPTER 2

Question 1:

Do you agree that access control to secure centrally-coordinated communications, translation services and scheduled data retrieval are essential as part of the initial scope of DCC?

Answer:

This is a fundamental facet of the DCC. Differentiation between static and dynamic data needs to be considered, for example, where a gas supplier needs to know whether a smart electricity meter has been installed. Also access control to device for types of data/ other devices in the HAN needs management. There should be a Code of Connection to properly control what can be



accessed for WAN and HAN. There should also be a supplier accreditation process to ensure integrity of components and products.

Question 2:

Do you agree that meter registration should be included within DCC's scope and, if so, when?

Answer:

Fundamental – early in process – this replaces the industry registration processes currently active. From day 1 the data base needs to be populated with smart meter system components. Data elements for this need urgent definition, such that meters installed early in 2011 can be registered cleanly. Use of high quality address, MPAN/MPRN data is key to this process. Innovation is needed to ensure that component data and location data is very high quality. Work plan systems need to be very rigorous, and installers need training on the importance of the data. Consideration should be given to the current industry processes.

Question 3:

Should data processing, aggregation and storage be included in DCC's scope and, if so, when?

Answer:

Raw Data Storage – early, but requires secure storage. Data processing or collection should be DCC function. Aggregation and other data management should be commercial add-on for third party

Question 4:

Do any measures need to be put in place to facilitate rollout in the period before DCC service availability and the transition to provision of services by DCC, for example requiring DCC to take on communications contracts meeting certain pre-defined criteria?

Answer:

A consistent data & process model of the installed smart metering systems needs to be defined to make migration to the DCC straightforward. It is essential that, prior to rollout commencement, the SMIP defines in respect of the interim period both the data that needs to be captured and the participants, processes and systems to which this data needs to be made available. SMIP needs to set clear interim requirements for communications technology and contract arrangements. At a set point in time the DCC can renegotiate (or not as it wishes) with the service provider.

e.g.

- *Min terms*
- *Min service requirement*
- *Standard Liability*
- *Standard end date (co terminal)*
- *Integrity and Security*
- *Interoperability*

CHAPTER 3

Question 5:

Do you agree that the licensable activity for DCC should cover procurement and management of contracts for the provision of central services for the communication and management of smart metering data?

Answer:

Yes. SEC management and contract management need to be separately controlled. Security management needs high priority.

Question 6:

Do you consider that DCC should be an independent company from energy suppliers and/or other users of its services and, if so, how should this be defined?

Answer:

*The DCC should be independent of the energy retailers. A regulated, profit making, company-independence is key, “Camelot” model.
Needs freedom to innovate, reinvest in itself and industry – self-funding.*

Question 7:

Do you have any comments on the steps DCC would need to take to be in a position to provide its services and the likely timescales involved?

Answer:

Data management model needs confirmation and legal entity to be defined. There is an urgent requirement for governance of data model.

- *Plan service introduction and transition*
- *Instigate location database.*
 - *Try to facilitate co-ordination of installations*
- *Meter system elements registration*
- *Prepayment Process*
- *Prepare output specs for transfer of data to suppliers*
- *Define processes for collection, processing, storage and transfer of data,*
- *Integrate comms services with industry users*

The six + six months timescale is very challenging and may be too tight. SBGI believes that DCC should be an entity for procurement of services and not the provider of services.



Question 8:

Do you have any comments on the proposed approach to cost recovery and incentivisation for DCC?

Answer:

Needs freedom to innovate, reinvest in itself and industry – self-funding. A long term contract will provide more incentive. Will the DCC be in the public sector framework?

Consumer Protection

CHAPTER 2

Question 1:

Do you have any views on our proposed approach for addressing potential tariff confusion? What specific steps can be taken to safeguard the consumer from tariff confusion while maintaining the benefit of tariff choices?

Answer:

Central data holding will allow better tariff modelling by comparison bodies, e.g. Uswitch. Rollout publicity/educating could mitigate some of this. Market development towards energy services may drive more innovation and complexity - but customers will work towards understanding. IHD could provide current rates (though block tariffs may be problematic).

Question 2:

Do you agree with our proposed approach for addressing unwelcome sales activities during visits for meter installation?

Answer:

Tough balance between the education of consumer on the new technology, but not to sell is required. High level of multi-skilling demanded already, though. There should be control of incentives to the installer against selling. There should be incentives for a good installation experience.

Question 3:

What do you consider as acceptable and unacceptable uses of the installation visit and why?

Answer:

Hard Sell is unacceptable. Any Code of Practice needs to be developed with MAMCoP and MOCOPA.

SBGI believes that although the development of a code of practice should be supplier led, it is also essential that there is input from industry stakeholders including the data and security sectors. These stakeholders should include (but not be limited to):

- *Consumer groups*
- *Local authorities*
- *Age UK*
- *Trade Bodies*
- *Energy Management Services and Associated Products Suppliers*

Question 4:

Do you agree with our proposed approach to ensuring that the IHD is not used to transmit unwelcome marketing messages?

Answer:

Yes, the base functionality of the messages to the IHD should be an agreed content and format and be part of the licence agreement. Any enhanced services provided by the IHD should be at the customer's request (opt in/opt out).

Question 5:

Do you agree that consumers should be able to obtain consumption information free of charge at a useful level of detail and format? How could this be achieved in practice?

Answer:

Yes – helpful data should be free of charge – The supplier should provide data for some history and neighbourly comparison free. Needs industry structure e.g. CIM? Analytics should be extra. Third party access to the customer data will need consent. This should be additional to the data provided by the minimum spec IHD. Multi channel delivery of enhanced data is a must although care must be taken on the security issues this may raise. Long term data aggregation/storage issues etc need further consideration.

There needs to be extra work to debate what is a useful level of data and perhaps this could be facilitated by an Ofgem Workshop on this topic.

CHAPTER 3

Question 6:

Do you consider that existing protections in the licence are sufficient to ensure that consumers are not remotely switched to prepayment mode inappropriately?

Answer:

SBGI believes that there are sufficient safeguards in the current licence to cover the processes. However, the technology needs to be in place to ensure that this cannot be inadvertent.

Question 7:

Could provision of an appropriate IHD help overcome meter accessibility issues to facilitate prepayment usage?

Answer:

Yes – but not the basic IHD and subject to resolution of safety issues. – However, if there is no power, then there will need to be a direct on meter method to add credit. There may need to be an obligation on the supplier to ensure that the consumer has an appropriate IHD where they go onto prepayment. There may still, in some exceptional circumstances, be a need still to move the meter or not allow prepayment for vulnerable customers. DCC location data may encompass where meters are installed in locations not appropriate for prepayment or valve operation for network management – but supplier responsibility.

Question 8:

What notification should suppliers be required to provide before switching a customer to prepayment mode?

Answer:

As per current arrangements. DCC should cover change of supplier errors by security management. & well defined processes. There needs to be an approval process /code of conduct to ensure fair application of payment.

Question 9:

Do you believe that suppliers should be required to provide emergency credit and “friendly credit” periods to prepayment customers or whether, as now, this can be left to suppliers?

Answer:

This is for Suppliers to answer as there are already processes in place and these will presumably continue or be included in the Smart Energy Code.

Question 10:

Do you consider that an obligation similar to Prepayment Meter Infrastructure Provision (PPMIP) may be required?

Answer:

Cash vending processes will need to be maintained, with strong control to identify the meter associated with the payer. Cash based infrastructure has some barriers to market for new entrants that may need to be addressed.

Question 11:

Is the obligation which Ofgem is proposing to introduce on suppliers to take all reasonable steps to check whether the customer is vulnerable ahead of disconnection sufficient? If not, what else is needed?

Answer:

The answer to this question should be developed out of a proper debate by the Suppliers, Consumer Organisations and the Regulator.

Question 12:

What notification should suppliers be required to provide before disconnecting a customer?

Answer:

Unoccupied premises – gas valves in meters are not designed to be a safety cut-off, and are not suitable for use in unoccupied premises. Tamper detection may need immediate response to operate the gas valve. Otherwise, non-payment notice should be as per current procedures.

Question 13:

Do you have any views on the acceptability of new approaches to partial disconnection and how they might be used as an incentive to pay bills?

Answer:

Partial disconnection is an innovation that should be supported in systems should the requirement be taken up by energy suppliers.

Question 14:

Do you agree with our approach for addressing issues related to remote disconnection and switching to prepayment?

Answer:

It will need to be reviewed regularly as the implications of the technology are fully understood, and real life cases are learned from.

Question 15:

Have we identified the full range of consumer protection issues associated with the capability to conduct remote disconnection or switching from credit to prepayment terms? If not, please identify any additional such issues.

Answer:

Technology is likely to introduce new issues, and there will need to be a response to these as these come to light. This should be addressed by the Smart Meter Code

CHAPTER 4

Question 16:

What information, advice and support might be provided for vulnerable consumers (e.g. a dedicated help scheme)? Who should it be provided to?

Answer:

The answer to this question should be developed out of proper debate by the Suppliers, Consumer Organisations and the Regulator.

CHAPTER: 5

Question 17:

Do you have any comments on our proposals to prevent upfront charging for the basic model of smart meters and IHDs?

Answer:

Financing of meters is quite secure, where the IHD may have significant financing issues, and it may be better to give suppliers an option to offer a better tariff against buying an IHD. At the end of the day the cost will be covered by the consumer. Alternatively the supplier should be obligated to provide data in real time in the home via an alternative method.

Data Privacy and Secrecy

CHAPTER 3

Question 1:

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

Answer:

The legal basis is well established under the data protection act (DPA). Managing the opt-in for sharing data needs to be done – while the technical area needs to be dealt with by DCC, the method of update needs to be considered. The WAN data should be encrypted to comply with privacy and secrecy policies.

Change of occupancy issues also need to be covered. DCC has no relationship with the Customer.

Lessons and issues that exist in the prepayment market need careful consideration. Smart meter code needs to govern these processes.

Question 2:

We seek views from stakeholders on what level of data aggregation and frequency of access to smart metering data is necessary in order for industry to fulfil regulated duties.

Answer:

This is really for industry users to comment, however, we would suggest that a minimum of daily or once per billing period. The benefits to UK PLC come from this data aggregation, also data for managing EV's (electric vehicles) etc needs to be considered. Innovative services may benefit from granular data, and this should be encouraged.

Question 3:

Do you support the proposal to develop a privacy charter?

Answer:

SBGI fully supports the development of a Privacy Charter as an essential step in providing the consumer with confidence and “buy in”.

Question 4:

What issues should be covered in a privacy charter?

Answer:

Future enhancements will need it to be adaptive. Work with dynamic situation (E.g. Change of occupancy, change of supplier).

CHAPTER 4

Question 5:

Do you agree with our approach for ensuring the end-to-end smart metering system is appropriately secure?

Answer:

Denial of Service attack may need more consideration. Use of different security approaches depending on the message being moved may be considered. Security is currently advisory and it must be mandatory. Industry specialists need to be engaged and risk assessments made. Security management needs to be added. How do any security issues get processed? CNI (critical national infrastructure) needs to be part of these proposals. We need to leverage industry for other lessons that can be learned from overseas. USIs have had issues and prepayment meters are a security issue as all messages potentially contain financial information. Messages need to be discrete. People and processes need to be part of the overall security processes. Further work on security profile platforms is required.

There is a US body that deals with electronic security, NERC/CIP and we believe that there should be a similar body in the UK.

Non-Domestic Sector

CHAPTER 3

Question 1:

Are there any technical circumstances where only advanced rather than smart metering would be technically feasible? How many smaller non-domestic customers have U16 or CT meters and what scope is there for full smart meter functionality to be added in these cases?

Answer:

There have been no market signals leading gas meter manufacturers to add full smart to U16 +size meters.

Similarly, CT meters have similar issues. The disadvantage of the advanced system is the lack of local interface, though there is usually web access to this data.



While equipment and system suppliers are open to developing smart for this application, it would be prudent to delay development until domestic smart rollout is well under way. Smart should not be installed where advanced metering is already delivering benefits. Advanced metering may be added in many circumstances at less cost and operational inconvenience to the customer.

Question 2:

Do you agree with our proposed approach to exceptions in the smaller non-domestic sector?

Answer:

SBGI agree with the proposed approach.

Question 3:

Are there technical circumstances that we have not considered that would justify further flexibility around installation of either smart or advanced meters?

Answer:

SBGI do not believe so.

CHAPTER 4

Question 4:

Do you agree with the proposed approach that use of DCC should be optional for non-domestic participants in the sector?

Answer:

SBGI are in agreement with this. (See Question 6)

Question 5:

If use of DCC is not mandated for non-domestic customers, do you agree with the proposed approach as to how it offers its services and the controls around such offers?

Answer:

SBGI agree with the approach.

Question 6

To what extent does our proposed approach to the use of DCC for non-domestic customers present any significant potential limitations for smart grids?

Answer:

Whilst we agree with the proposed approach we do believe that there are potential limitations. However, any of these companies making use of low carbon technologies should be captured within the DCC model in order to provide visibility of their use with respect to managing smart grids.

Question 7:

Is a specific licence condition required to ensure that metering data for non-domestic customers can be provided to network operators or DCC, and should any provision be made for charging network operators for the costs of delivering such data?

Answer:

Any licence conditions for data services must be fair and equitable to incumbent suppliers and potential new entrants. Any charges should be visible and transparent.

Question 8:

How can interoperability best be secured in the smaller non-domestic sector?

Answer:

The variety of bespoke solutions within the advanced metering market may well preclude interoperability in the short term. Migration to a common standard should be encouraged over an agreed period of time.

CHAPTER 5

Question 9:

What steps are needed to ensure that customers can access their data, and should the level of data provision and the means through which it is provided to individual customers or premises be a matter for contract between the customer and the supplier or should minimum requirements be put in place?

Answer:

As a licence condition, energy suppliers should be making consumption data available to consumers and the quality and timeliness of this provision should be at least the same as the



availability of data from the DCC. Requirements beyond this should be based on commercial arrangements.

Question 10:

Do you agree with our approach to data privacy and security for non-domestic customers?

Answer:

We agree with the code of practice approach. However where an entity opts out of the DCC model, additional confidence regarding security and privacy may be necessary.

Question 11:

Is the proposed approach to rollout (for example in terms of targets and a requirement for an installation code of practice) appropriate for the non-domestic sector?

Answer:

Yes, in line with roll out for the domestic sector.

Regulatory and Commercial Framework

CHAPTER 2

Question 1:

Have we identified all of the key elements that you would expect to see as part of the Smart Metering Regulatory Regime?

Answer:

This is an opportunity to thoroughly overhaul the processes. The inclusion of the DCC as Critical National Infrastructure and a robust DCC should be an essential part of the programme.

CHAPTER 3

Question 2:

Do you agree with the proposal to establish a Smart Energy Code?

Answer:

This is an opportunity to thoroughly overhaul the processes. The inclusion of the DCC as Critical National Infrastructure and a robust DCC should be an essential part of the programme.



Question 3:

Do you have any comments on the indicative table of contents for the Smart Energy Code as set out in Appendix 3?

Answer:

Include an appeals procedure and a list of codes of practice and/or legislation that this document replaces.

Question 4:

Do you have any comments on the most appropriate governance arrangements for the Smart Energy Code?

Answer:

We strongly believe that industry bodies, such as SBGI, should be on the governance panel.

CHAPTER 4

Question 5:

Do you agree with the proposals concerning the roles and obligations of suppliers in relation to the WAN communications module?

Answer:

SBGI agree with the proposal.

Question 6:

We welcome views as to which other additional data items should be included in the mandated HAN data set beyond the list for the IHD.

Answer:

The HAN data set should include some alarm or event functions that are transmitted via the WAN to the DCC but not displayed on the IHD.

Question 7:

Do you agree with the proposal that the WAN and the HAN in customer premises should be shared infrastructure, with the installing supplier retaining responsibility for ongoing maintenance? If not, would you prefer to have an arrangement by which if the gas supplier is the first to install, responsibilities for the common equipment is transferred to the electricity supplier when the electricity smart meter is installed?

Answer:

This needs to be resolved within the lead supplier debate. The solution to this question should not stifle innovation.

CHAPTER 5

Question 8:

Are there additional measures that should be put in place to reduce the risks to the programme generated by early movers?

Answer:

The DCC needs to be flexible to accommodate the early movers' WAN and smart meter functionality solutions. Ensuring that the industry quickly arrives at a conclusion to the smart metering technical spec and DCC confirms enduring WAN technologies is the best way of limiting risks.

Question 9:

What is needed to help ensure commercial interoperability?

Answer:

There needs to be an appropriate commercial framework to ensure investment certainty both for early deployment and on an ongoing basis. This will ultimately ensure best value for money for the consumer.

Question 10:

Can current arrangements for delivering technical assurance be developed to gain cost effective technical assurance for the smart metering system? If so, how would these procedures be developed and governed?

Answer:

Yes they can be developed. The scope of technical assurance needs to be widened.

Question 11:

Are there any other regulatory and commercial issues that the programme should be addressing?

Answer:

All current UK statutes and European Directives need to be reviewed e.g. Thermal Energy regs and Mass Flow.

CHAPTER 6

Question 12:

What evolution do you expect in the development of innovative time-of-use tariffs? Are there any barriers to their introduction that need to be addressed?

Answer:

SBGI feels customer understanding of the benefits and their active engagement is key to their introduction.

Question 13:

Are there changes to settlement arrangements in the electricity or gas sectors that are needed to realise the benefits of smart metering?

Answer:

SBGI believe that it should be possible to achieve a reduced settlement timetable as this would be easily achievable once the majority of non half hourly meters are capable of being read remotely. We see this as a key benefit of Smart meters as it would reduce the cost of credit cover to suppliers and simplify some of the most complex settlement processes (Estimated Annual Consumption and Annualised Advance calculation).

There is a need for examining the current settlement arrangements and we are aware that this has already been undertaken on the electricity side but also needs to be undertaken for gas.

We would expect the proposed Smart Metering Significant Code Review to provide a suitable vehicle for a robust assessment of the business case for potential changes to settlement arrangements.

Question 14:

What arrangements would need to be put in place to ensure that customers located on independent networks have access to the same benefits of smart metering as all other customers?

Answer:

Customers should not be disadvantaged as a result of being attached to an independent network.

Question 15:

Are there any other industry processes that will be affected by smart metering and which the programme needs to take into account?

Answer:

Reconciliation by difference (RBD), impact of shrinkage on energy delivered (may be more accurate using smart meters). Most industry calculations are based on averages; industry processes could refine these averages to the benefit of customers. Where meter configurations can be achieved remotely, there are concerns around the mastery and integrity of industry data e.g. if the settlement configuration of the meter is changed by the supplier, then how is the MOP informed of that change in order to maintain mastery of the data?

We consider it appropriate for the industry to assess, as a separate business case, potential changes to settlement arrangements and the industry costs and benefits that may accrue.

In Home Display

CHAPTER 2

Question 1:

We welcome views on the level of accuracy which can be achieved and which customers would expect, in particular in relation to consumption in pounds and pence.

Answer:

The accuracy of the information displayed on the IHD is only a function of the accuracy within the meter. The IHD can only display the information/data available from the meter or the suppliers back office system via DCC.

Question 2:

We welcome evidence on whether information on carbon dioxide emissions is a useful indicator in encouraging behaviour change, and if so, how it might be best represented to consumers.

Answer:

SBGI does not have any evidence on this. However, the emergence of “green” energy contracts may make this a requirement in the future.



Question 3:

We welcome views on the issues with establishing the settings for ambient feedback.

Answer:

Appropriate research by the IHD manufacturers will evolve what the public will receive.

Question 4:

Do you think that there is a case for a supply licence obligation around the need for appropriately designed IHDs to be provided to customers with special requirements, and/or for best practice to be identified and shared once suppliers start to roll out IHDs?

Answer:

SBGI believe that this must be a licence obligation and that best practice must be shared to ensure a proper and consistent process and design.

Question 5:

We welcome evidence on whether portability of IHDs has a significant impact on consumer behavioural change.

Answer:

SBGI does not have any evidence on this. However, we believe that the installation will be cheaper and quicker if the IHD is not hardwired and also that it will be easier for the consumer to engage with saving energy if it is portable. There may be issues with communicating to all parts of the home.

Question 6:

Do you agree with the proposed minimum functional requirements for the IHD?

Answer:

SBGI does agree with the current level of the minimum functional requirements for the IHD.



CHAPTER 3

Question 7:

Do you have any views or evidence relating to whether innovation could be hampered by requiring all displays to be capable of displaying the minimum information set for both fuels?

Answer:

SBGI believes that this requirement will not adversely affect innovation.

Question 8:

Do you agree with the proposals covering the roles of and obligations on suppliers in relation to the IHD?

Answer:

SBGI believes that the proposals are adequate but that suppliers may wish to extend their offering in exchange for long term contracts etc. With reference to the requirement in 3.22 and draw particular attention to the enduring requirement for prepayment customers and the need for the difficult and inaccessible meter positions to be identified at installation and this record to be available via the DCC.



SBGI and all its members are committed to supporting this consultation and all phases of the smart metering programme. SBGI will provide representation at all expert groups, technical subgroups and workshops to which we receive invitations.

For and on behalf of SBGI- Utility Networks

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