



Liz Chester
Social Policy Manager
Ofgem
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Dear Liz

Re: Smart Metering Spring Package – February 2011

Thank you for the opportunity to comment on the above document which considers the Ofgem proposals to ensure customers interests are protected in the early stage of the smart metering technology rollout. Corona Energy (CE) is an independent gas supplier and an early adopter of advanced (AMR) metering technology. As the major gas supplier to the public sector and many other socially minded organisations CE is highly focused on both customer service and working with our customers to meet their energy efficiency responsibilities.

Remote switching to prepayment and remote disconnection

CE believes that the independent and small suppliers operating in the Industrial and Commercial gas market are unlikely to make use of meter isolation and the associated prepayment and remote disconnection facilities being built into domestic sized smart metering systems. This is due to a number of factors including:

- Isolation Valves are not present in larger gas meters currently and are unlikely to be installed in the future for technical and economic reasons
- I&C customers are heavily resistant to the concept of isolation valves and are unlikely to want a meter with this technology installed in their premises
- Smart data will allow I&C suppliers to offer prepayment products without isolation

Clearly it is important that I&C suppliers and small domestic suppliers (with less than 50,000 customers) that are not using prepayment and/or remote disconnection do not become subject to obligations and protections and therefore costs that relate to a technology they are not using.



Additionally it is important that industry processes and systems do not assume that all suppliers will operate prepayment functionality via the DCC. There is a risk that industry processes could limit the number and size of suppliers able to offer a supply contract to customers (both I&C and domestic) if meters aren't returned to credit mode prior to the new supplier taking ownership.

Remote Disconnection

CE shares the concerns raised by both ICoSS and Ofgem that remote disconnection of smart meters needs to be carefully controlled to ensure current safety levels aren't reduced. ICoSS has previously raised concerns that the inclusion of remote isolation valves in gas meters could cause long-term damage to customer confidence in smart meters if remote disconnection were to lead to substantial public harm or death. CE welcomes the measures proposed by Ofgem and looks forward to understanding how these obligations will be correctly targeted towards those suppliers seeking to use this functionality.

Commercial Interoperability

As an early mover in the advanced metering (AMR) gas market CE has been an advocate of the need for commercial interoperability. It has proactively worked with Ofgem and other industry participants on various measures designed to improve the interaction between suppliers and AMR Service Providers (ASPs). These include updating the RGMA process flows via SPAA, creating an AMR Service Provider Code of Practice (ASPCoP) via ESTA and the design and tender of an AMR database via ESTA.

CE has seen considerable improvements in the operation in the market since the introduction of the RGMA process changes and the introduction of the ESTA ASPCoP. While it is too early to gauge the impact the ESTA AMR Data-hub will have, CE is confident that the ASPs recognise its commercial value and will ensure its success.

As well as ensuring that existing improvements/measures are not lost it is also important that Ofgem and DECC ensure that any measures to improve or enhance commercial interoperability must recognise the differences between the domestic and I&C businesses and gas and electricity technologies.

Advanced metering in gas does not have the same issues as it does in electricity as the technology allows multiple AMR modules to be easily attached. This ensures that an incoming supplier can easily choose to install an alternative solution if an existing ASP refuses to offer commercial terms.

Privacy and Data Access

CE notes the unease consumer organisations have expressed regarding supplier access to smart data. CE has been surprised by the size and nature and of the concerns raised as in the four years it has been active in the advanced metering market this issue has rarely been raised by customers.

Generally the experience of CE has been that customers welcome suppliers making greater use of smart data to ensure they are able to offer the best price and service they can.

CE also notes that Demand Side Reduction (DSR) is likely to be vital for the government and industry to meet its Security of Supply ambitions. This is especially so in a world of wind and wave electricity generation intermittency. It is currently unclear how suppliers could identify and price DSR products without access to half hourly demand data.

CE is keen to understand how Ofgem and DECC intends to balance suppliers obligations to meet the competing demands of Privacy, Data Access, Appropriate Pricing, Tariff and Pricing Complexity and DSR.

The ERA and ICoSS have considered this area and have developed the following four statements as a potential compromise that would ensure both the customer and supplier benefits of smart metering could be realised:

- Suppliers (and shippers) should, as a minimum, have open and free access to half hourly read data for both gas and electricity. This will ensure suppliers can provide consumers with time of use tariffs and offer demand response products. Without this data these benefits of smart metering will not be delivered.
- Opt-in consumer consent must be sought where suppliers wish to access data at a finer resolution than half hourly periods. Opt-out consumer consent may be sought where suppliers wish to access data at a resolution of half hourly or more.
- All users (including non-suppliers who have signed the SEC) of the DCC, with consumer consent, should have open and free access to read data via the DCC systems. This will ensure users can provide consumers with targeted energy efficiency advice and services. Without this data this benefit of smart metering will not be delivered.
- The technical standards should allow consumers to be able to grant access to smart data via the HAN to any authorised party, subject to security and privacy requirements.



Conclusion

CE welcomes the Ofgem document and looks forward to further discussion on the detail of any measures proposed. CE notes that due to resource constraints much of its representation in the area is being conducted through the ICoSS group and would encourage both Ofgem and DECC to engage with ICoSS to develop the proposals further.

I trust these comments are helpful. If you have any queries regarding this response please contact Richard Street on 0208 632 8169.

Yours,

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*please note as this letter has been delivered electronically a signature will not be attached