

ESTA RESPONSE TO:



Commercial Interoperability:
proposals in respect of managing domestic customer switching where
meters with advanced functionality are installed.

Ofgem

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ESTA Energy Services and Technology Association

ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members cover Energy Consultants, meter, AMR and controls manufacturers through to full Energy Services/Contract Energy Management.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Services Directive and the roll-out of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues which we respect as expressing their own definitive view.

Commercial interoperability

Responses covering specific questions as laid out in the consultation.

1. Customer information

Question 1: Do you agree that suppliers should be required to inform the customer of any potential loss of services before a switch takes place?

It is too late for the outgoing supplier to inform the customer that the installed equipment does not meet interoperability requirements. This should have been done prior to the customer deciding to enter into a contract. If however, the service(s) are offered for free, then the supplier must state this and show that costs are transparent; that being the case the lack of interoperability is then at the supplier's risk.

Question 2: Do you agree that the old supplier should be required to disable any misleading information prior to the switch taking place?

It depends who deems whether the information is misleading – outgoing supplier, incoming supplier or Regulator? The customer should continue to receive information according to the ADM contract that has been agreed to until the switch-over.

Question 3: Do you agree that the old supplier should be prohibited from removing historic consumption data from the meter?

Yes, but the question is about access to this data.
Historic data should be accessible by the customer and supplier for the duration of the contract. The customer should be able to grant access to the data to anyone and likewise, the supplier should be able to grant access to data for regulated purposes to anyone.

Question 4: Do you agree that suppliers should not be allowed to charge customers for the replacement of a prepayment ADM in these circumstances?

If the ADM proves not to be interoperable, then the supplier should not be allowed to charge for it under any circumstances. If however an ADM becomes interoperable (i.e. due to alignment of the ADM technical specifications/protocols and those of SMETS or commercial arrangement) then they should be entitled to charge for it. This provides a good incentive for market leads to ensure the ADMs they install are interoperable.

2. Supplier support for interoperability

Question 5: Do you agree that the old supplier must make available to the new supplier all the information they would need to help maintain the provision of services based on ADM functionality?

The old supplier should provide only information the new supplier requires in order to meet regulated duties. If the old supplier wishes to provide more information (that has been gained from his regulated duties) then that is a commercial matter between the two suppliers.

Question 6: What kind of information would the new supplier need access to in order to ascertain whether they can maintain advanced services?

The new supplier would need to know whether the meter was running a protocol that was part of SMETS, or what the outgoing supplier's commercial terms were for transfer. There is likely to be a list of conformant meter types (as per existing protocol approval run by Elexon). A model transfer agreement may be useful, but this should include non Big 6 parties who are installing ADMs for small businesses.

Question 7: Do you agree that a large supplier should make available on request all services that a new supplier would reasonably require to maintain some or all of the services relating to ADM functionality?

This is dependent on the offering the outgoing supplier made to the customer when signing up for the ADM. The customer will expect this to continue, and therefore the outgoing supplier should pass this to the incoming supplier as a minimum. Anything above this can be offered by the incoming supplier as a bonus.

Question 9: What costs do you consider suppliers will need to incur to ensure compliance with the proposed licence conditions?

If a supplier fits an ADM that proves not to be interoperable (through technical or commercial failures) then he should be liable for the full cost of the ADM. If however the ADM proves to be interoperable then he is entitled to charge the consumer for the period of operation (assuming capital cost is amortised across 10 years for example) and the new supplier up to the same, if the same equipment continues to be used to provide the same agreed benefits to the consumer.

Question 10: Do you consider that additional incentives are necessary for suppliers to avoid ADM meter exchanges on a change of supplier where possible?

The incentives described above should be adequate. If an innovative supplier is confident that his ADM, technical interfaces and commercial arrangements will prove to be interoperable to a new supplier then he will get his money back. A new supplier can choose whether to take on the old ADM or to rip it out and replace one with a SM, or another ADM which he in turn believes will be interoperable. The choice will be that of the incoming supplier. Under no circumstances should the consumer be charged more than once for a ADM, including those that do not meet interoperability requirements and need to be replaced.

Question 11: Do you consider that the measure outlined here places appropriate incentives on the installing supplier in respect of the costs of a meter exchange?

see answer to question 10.

Question 13: How long a lead time do you consider is appropriate for enabling suppliers to be compliant with the proposed licence conditions?

If a supplier manages to hold a customer on supply for 10 years based on an ADM that has not yet been proved fully interoperable, then compliance with all licence conditions will not have been tested.
