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Dear Tabish,

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

Thank you for the invitation to respond to the above consultation. As you are aware, Good Energy is a unique electricity and gas supplier, as we supply only 100% certified renewable electricity, and gas which supports renewable heat. It is our mission to provide a blueprint for the UK to transform itself to a low carbon, 100% renewable economy through the work that we do and the actions of our customers and renewable generators. We believe that effective smart metering rollout is central to delivering this vision.

**Executive Summary**

In the period that precedes the full UK roll-out some suppliers have chosen to employ an early roll out strategy beyond what might be regarded as a scale trial. Other suppliers, with the intention of avoiding unnecessary costs and disruption to customers, have chosen to await the confirmation of a meter specification and DCC definition before making substantial investing in their smart metering programmes. This has created a number of interoperability issues to the potential disadvantage of customers that we hope this consultation intends to resolve.

In addition to technical interoperability issues, relating to provision of advanced services, there are more fundamental commercial interoperability issues. We believe that customer access to advanced services is not the primary problem. Rather our concerns relate to the removal of recently installed ADM meters and/or a reduction in bill accuracy resulting from excessive MAP/DC/DA charges relating to inherited assets due to lack of a clear commercial framework. That is what this exercise should address.

We believe that ADM functional meters (once installed) should remain installed following change of supplier to reduce disruption to the customer. In addition ADM metered customers might expect, as a minimum, the improvements in billing accuracy associated with provision of regular meter readings.

On-going provision of more advanced services in the absence of a technical specification and central infrastructure is, whilst desirable, likely to be cost prohibitive for inheriting suppliers, who would rather put the investment into the infrastructure required to support a longer-term and compliant set of smart services than a short term fix to replicate competitors beta services.

Our concern is that the focus on inheriting suppliers maintaining ADM services runs the risk of putting these parties at a competitive disadvantage, jeopardising longer term smart metering programme success. Moreover the incidents of unscrupulous meter asset providers using this opportunity to recoup stranded asset costs may be exacerbated. Suppliers inheriting non-compliant assets should not be obliged to provide additional ADM services.

For the benefit of the customer however, those suppliers and their agents rolling-out ADM meters ahead of specification should be obliged to adhere to a clear commercial framework for inheritor contracts to ensure that asset rental and a basic level of data is provided at reasonable cost to the inheriting supplier.

Suppliers may maintain a reasonable and cost effective minimum ADM functionality (remote readings) on inheriting an ADM meter – but this should be optional rather than mandated.

Therefore, we propose that conditions are put in place to minimise disruption to the ADM metered customer such that those suppliers responsible for the installation of that meter are also responsible for ensuring that meter readings are made available to inheriting suppliers in a suitable format at a commercially acceptable rate and that there is no liability to the inheriting supplier for the cost of the non-compliant metering asset beyond costs consistent with dumb metering. In short we do not expect our customers to pay for other suppliers' rollout of non-compliant equipment.

With this in mind, we have answered your questions as set out, expanding where necessary.

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

We do not agree that perspective new suppliers should be expected to advise/inform customers on any potential loss of service following a change of supplier; and certainly not during the foundation phase ahead of the DCC and actual smart meter roll out. Any meter that is installed at this stage must always be considered as early adoption as it is ahead of any mandated rollout upon supply businesses; this essentially means that the early adopting supplier is offering the customer smart services 'ahead of the game'. It should, therefore remain the responsibility of the installing supplier to advise the customer that the meter they are fitting may be non-compliant; so the service they offer is given ahead of the UK rollout plan and should therefore not be considered as guaranteed should the customer decide to switch supplier in the future.

For a perspective new supplier to inform on loss of ADM services upon switching puts them at a competitive disadvantage which does not sit well considering we are talking about services and metering that said suppliers are under no obligation to provide. This situation has arisen from suppliers looking to move ahead of the game (in a majority of cases) and we do not believe that smaller suppliers should be required to provide a service to match at this stage when there is no obligation to do so.

Our view is that this approach disadvantages smaller suppliers in a competitive market at a time when they are not in a position to provide an ADM service and not obligated to do so.

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

Providing that the smart meter technical design provides that capability we would agree that tariff and marketing information should be removed upon a change of supplier. This could, however be controlled and managed through the DCC who may have the ability to recognise change of supplier activity and disable historical tariff and marketing information that may exist on a smart metering system and send messages to that metering system to switch off previous supplier information. Suppliers would be able to send tariff information to the DCC which in turn would translate and send that data to the metering system

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

We believe that historical information should remain on the meter for as long as the meter can store that data. We see no competitive advantage or issues created over a previous supplier if the new supplier has access to historical consumption data.

Being able to access historical consumption data will allow new and subsequent suppliers to maintain the consumer's on-going energy consumption education. If data is removed on each change of supplier action the customer will, essentially, be starting again with the engagement and messages on energy behaviour being difficult to get across.

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

While we agree that it may not be right for suppliers to charge customers for the replacement of a prepayment ADM meter (or any ADM meter for that matter) we also do not agree that the new supplier should be liable for the costs. Again this rule punishes those suppliers who have chosen to await correct and agreed specification, rules and regulations before steamrolling ahead with smart meter rollout plans.

It is felt that the initial views of Ofgem were that suppliers who roll out smart metering ahead of any agreed specification and finalised plan do so; solely at their own risk and that subsequent suppliers should not face charges as a direct result of their early adoption plans. We would suggest that deviation from this original view gives power and credit to those suppliers who have gone ahead of the rest and have created scenarios that are difficult for future suppliers to manage. The onus must remain on the initiating suppliers to foot the costs that their early adoption has created and that includes the costs of exchanging meters that other suppliers cannot interact with.

**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?**

If the new supplier is in a position to provide a service based on ADM functionality then there should be no barrier to prevent the old supplier from providing the information required by the new supplier in order to offer that service.

We would also note that while this rule could appear to close out an issue preventing ADM services moving from one supplier to the next; it will also be a fact that a number of suppliers will not be in a position to offer any ADM related service before the DCC infrastructure is in place or the smart meter rollout begins.

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

As the supplier inheriting the supply we would need to know what advanced services the customer received through the old supplier; as well as understanding how these services are delivered and by whom.

**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?**

We agree that larger suppliers should make available the services that a new supplier may request in order to maintain an ADM service if that is what the new supplier wants to do.

The larger issue at hand though is that suppliers are not in a position to provide a clear ADM proposition at this stage; so while this question approaches the issue of a supplier being able to access a service it is more of a problem that most suppliers do not want to offer an ADM service ahead of the roll out. If minimal services (remote readings) were provided via the old supplier in a cost effective way suppliers may find ways to maintain the minimal remote reading service to consumers.

**8. Do you consider that the proposed volume thresholds are appropriate? If not, please suggest what would be more appropriate thresholds.**

We would question if the threshold is set correctly as we are aware that non big six (large) suppliers are fitting early adoption smart meters across the UK to all customers that request them. With that in mind, while we can't suggest a more appropriate threshold we think that any supplier that is rolling out smart meters in significant percentage volumes (against the count of its customer base) that they may too be obliged to provide services to suppliers that request them.

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

We are a smaller supplier and have not rolled out smart metering early so we do not have the required information to provide an answer to this question.

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

We maintain that the issues identified through this consultation on old suppliers needing to be incentivised or obliged to provide ADM services is missing the point. While this is a sensible approach it is still the case that many suppliers will not be ready to provide an ADM proposition to customers regardless of what information/service they can obtain through the previous supplier. Suppliers are not obliged to provide these services this far ahead of the smart meter roll out and are therefore unlikely to be in a position to do so.

The issue has been created as a direct result of heavy early adoption plans from suppliers going ahead of the game. Ofgem need to accept that while obliging or incentivising suppliers to provide service is a positive step it does not resolve the overriding issue created by early adoption.

**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?**

We agree that the installing supplier should be obliged to meet the costs incurred from exchanging an ADM meter in prepayment mode when it is inherited by a supplier who cannot support or engage with that type of meter.

**12. Do you consider that £60 represents an appropriate proxy for the cost of a meter replacement in these circumstances? If not, what would you consider to be a more appropriate amount?**

We agree that this is an appropriate cost.

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

Because the smart metering technical specification has not yet been confirmed we are unable to give timescales on all future smart meter plans – this includes our ability to develop or install new systems that will enable us to provide smart meter (ADM) services.

We understand the requirement to ensure that the consumer is inconvenienced as little as possible throughout the smart meter process, however we are mindful that while Ofgem seek to ensure that services are provided following a change of supplier; it is also a fact that not all suppliers will be in a position to do so. The costs for smaller suppliers to do this are prohibitive and difficult to absorb; so we would not be keen to operate under obligations and processes that coerce us in to developing these provisions and services ahead of a pre-determined rollout date in 2014.

I hope you find this information sufficient. If you require more detail, then please let me know.

Kind regards,



Andrew Blackett  
Head of Metering