

ESTA RESPONSE TO:



Supporting effective switching for domestic consumers with smart meters:
further statutory consultation and notice.

Ofgem

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Contact: Robin Hale, Policy Adviser
ESTA Energy Services and Technology Association
PO Box 77
Benfleet
Essex SS7 5EX
T: 01268 569010
F: 01268 569737
E: robin@esta.org.uk
W: www.esta.org.uk

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, aM&T providers, controls manufacturers through to full Energy Services/Contract Energy Management mainly working in the I&C sector.

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 UK's 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.

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ESTA supports ofgem's work in this area and the need to have the right framework in place from the outset. Particularly, we welcome the consideration of the need to inform consumers when ADMs are being installed and what information should and shouldn't be passed at that time.

We would like to take this opportunity to reinforce views already put forward that we feel still need to be completely explored when considering the domestic environment.

The full implications of installing an ADM must be explained to the consumer on change of supplier with the following points taken into consideration:-

1. The likelihood of the ADM needing to be replaced (and the consumer meeting this cost)
2. In providing the service to the incoming supplier and the additional costs this incurs.
3. The incoming supplier being able to offer the same service on the same meter (interoperability)
4. The total costs if the consumer subsequently elects dumb metering.

The costs of a lack of interoperability must be made clear to the consumer when an offer to install a smart meter is made. A smart meter is not 'free' and consumers should understand the costs to be absorbed on installation, and the bottom line functionality should change of supplier take place.

The transparency of these costs is essential to ensure that interoperability emerges by market forces. Otherwise, there is no incentive for suppliers to achieve this.

Currently, the SMETS1 specification has such issues and is only solved with the arrival of the DCC compatible SMETS2.

ESTA believes that interoperability is the core component of a fully functioning and competitive market post smart meter rollout and is discussing this and providing options through the Open Pipe Group in order to satisfy this requirement.

We would encourage ofgem and DECC to consider the output from this group in ensuring interoperability endures into the future. Information can be provided upon request.