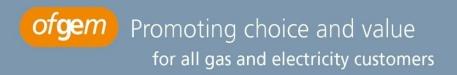


Consumer empowerment and protection in a smart meter world

31 January 2013

Agenda

1.	Introductions	10:00
2.	Ofgem presentation: intro to the project, purpose of the workshop, some example policy questions	10:10
3.	Energy UK presentation – Frances Williamson	10:30
4.	Consumer Focus presentation – Zoe McLeod	10:50
	Coffee break	11:10
5.	Small group session one: smart opportunities and regulatory barriers	11:20
	Lunch	12:20
6.	Small group session two: smart risks and regulatory protections	12:50
7.	Wrap-up and next steps	13:50



INTRODUCTION TO THE PROJECT

Background

- Ofgem consulted in December 2011 on a strategy to promote smart energy markets
- In July 2012 we published a decision paper: *Promoting smarter* energy markets: a work programme
- This set out four workstreams:
 - Change of supplier
 - Electricity settlement
 - Demand side response
 - Consumer empowerment and protection

Smarter Energy Markets Work Programme

Change of Supplier

Electricity Settlement

Demand Side Response

Consumer Empowerment and Protection

Objective:

A fast, reliable and cost effective change of supplier process, which will facilitate competition and build consumer confidence.

Objective:

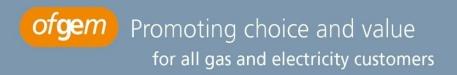
Settlement arrangements that use smart metering data to allocate energy in an accurate, timely and cost-effective way, which will facilitate product innovation and efficient use of energy.

Objective:

Create a market environment that supports the efficient, system-wide use of DSR, which has the potential to reduce bills for consumers, enhance security of supply, and contribute to sustainable development.

Objective:

Regulatory arrangements that empower and protect consumers to participate effectively in smarter retail energy markets, recognising the opportunities and risks involved.

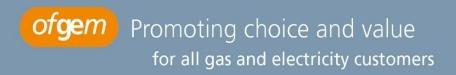


Related Ofgem Projects

DECC Smart Meter Implementⁿ Programme

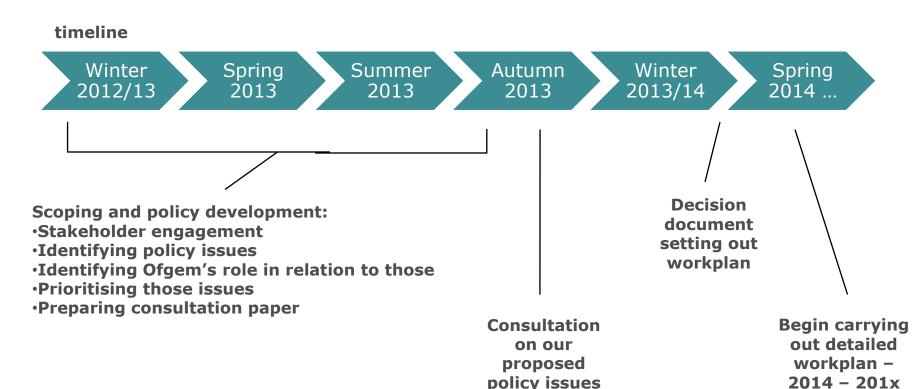
Smart Metering (Rollout) Smart Grids Project Smarter
Energy
Markets
Programme:

Consumer DSR Change of Supplier Settlement RMR (Retail Market Review)

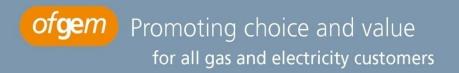


Consumer Empowerment and Protection Project

Objective: regulatory arrangements that empower and protect consumers to participate effectively in smarter retail markets



and priorities

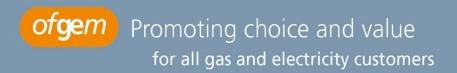


PURPOSE OF WORKSHOP

Purpose of Workshop

Input and help from you:

- Identifying key opportunities for consumers
- Identifying how the existing regulation might create barriers to achieving those
- Identifying the important risks for consumers
- Identifying how the regulatory arrangements may need to change to provide protection from those risks
- Prioritising those regulatory changes



SOME EXAMPLE POLICY QUESTIONS

Advice on best tariffs

Opportunity:

 Consumers receive accurate advice on the best tariffs for them, based on their accurate consumption data.

Risks:

- Complexity of data and of tariffs making it difficult for consumers to find the best tariffs without specialist advice.
- Complexity for consumers providing their consumption data to switching sites, other suppliers, or other third parties.
- Increased complexity for switching sites, new suppliers or third parties making recommendations on more complex data and tariffs.

Policy questions:

- What role should the Confidence Code play in relation to calculations of future consumption based on smart data?
- What role should the regulatory framework play in ensuring consumers receive estimates of future consumption based on smart meter data?
- How should this area develop alongside the RMR proposals?

Energy Services

Opportunities:

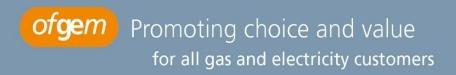
- New, innovative services.
- Increased competition in the energy sector.
- Bundled deals offering good services to consumers across a range of products.

Risks:

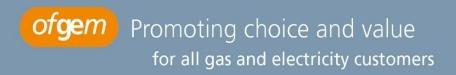
- Energy services largely unlicensed does this mean consumers are largely unprotected?
- Licensing requirements for suppliers may restrict innovation.

Policy questions:

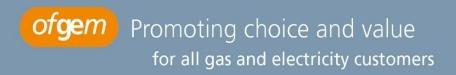
- How should Ofgem balance consumer protection with freedom to innovate?
- How should energy services fit within the regulatory framework in the future?
- Does existing regulation on suppliers limit the role they can play in energy services?
- Are energy services companies limited in the services they can offer without becoming suppliers?



[ENERGY UK PRESENTATION]



[CONSUMER FOCUS PRESENTATION]



SMALL GROUP QUESTIONS

Outline of Small Group Sessions

Two small group sessions:

- Opportunities, and regulatory barriers
- Risks, and regulatory protections

Opportunities

- What are the opportunities for consumers that smart meters bring?
- What regulatory barriers might prevent those opportunities occurring, or otherwise impede the innovation?
- What are the top three priorities for regulatory change?

Risks

- What are the risks for consumers from smart meters and smart-related developments?
- What regulatory changes could Ofgem take to protect consumers from those risks?
- What are the top three priorities for regulatory change?



WRAP UP



Promoting choice and value for all gas and electricity customers