



Jonathan Blagrove  
Senior Manager – Consumer Policy and Insight  
The Office of Gas and Electricity Markets  
9 Millbank  
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8 March 2013

Dear Jonathan

### **Consultation on the Smart Metering Installation Code of Practice**

EDF Energy is one of the UK's largest energy companies with activities throughout the energy chain. Our interests include nuclear, coal and gas-fired electricity generation, renewables, and energy supply to end users. We have over five million electricity and gas customer accounts in the UK, including residential and business users.

We have actively supported the development and implementation of a Code of Practice designed to create a positive consumer response to smart meters which we believe is critical to deliver the objectives of the Smart Metering Programme.

We believe the use of a Code of Practice is the ideal vehicle in which to clearly set out the rules and standards that suppliers will follow to protect the interests of consumers during the smart metering installation process.

EDF Energy has worked with industry and stakeholders, including consumer representatives, to collaboratively develop the Smart Metering Installation Code of Practice (SMICoP) and has put SMICoP into voluntary operation in advance of the licence conditions taking effect. However, we require clarity and certainty from Ofgem on exactly when the Code will be approved by the Authority, so we can plan our internal communications and associated activity accordingly.

The rollout of smart meters is an excellent opportunity to meet the needs of our customers as we will visit each and every premises over the next five to six years. We believe that we must have the flexibility and capability to discuss energy efficiency advice, including schemes such as Green Deal and ECO, while on site, even where we have not been able to obtain prior consent. We believe that SMICoP should be amended to reflect this to ensure that we are able to engage customers face to face and make them aware of the benefits these schemes can deliver.

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Our detailed responses are set out in the attachment to this letter. Should you wish to discuss any of the issues raised in our response or have any queries, please contact Ashley Pocock on 01342 413838, or myself.

I confirm that this letter and its attachment may be published on Ofgem's website.

Yours sincerely,

A handwritten signature in blue ink that reads "Paul Delamare".

**Paul Delamare**  
**Head of Downstream Policy and Regulation**

## Attachment

### Consultation on the Smart Metering Installation Code of Practice

#### EDF Energy's response to your questions

#### Chapter Two

##### **Q1: What are your views on the smart metering-specific accreditation and training requirements that should be set out in the SMICOP?**

We firmly believe that there must be a consistent and common level of accreditation for all installers of smart metering equipment, regardless of whether the installation takes place in domestic or non domestic premises. A positive consumer experience of the installation process is an essential factor to ensure the success of the Programme. We are mindful that, in the digital age of media communication, a small number of failures by installers could have a significant impact on the reputation of the Programme and, subsequently, on consumers' perception of smart metering.

The National Skills Academy for Power (NSAP) has worked with energy suppliers and other industry stakeholders to develop an accreditation standard for smart metering installations. EDF Energy is NSAP accredited and we will be training all of our installers to this standard. For a training facility to become NSAP accredited, an annual fee is payable to operate the scheme, and then a fee of £20 per installer is renewable after four years.

EDF Energy is fully supportive of the role of NSAP and we are pleased to confirm that we will shortly be operating an additional NSAP accreditation scheme specifically for apprentices.

We understand that some smaller suppliers may be concerned by the annual fee, but it is important to note that installers can go through any accredited training facility to become NSAP accredited, the supplier does not have to join up to become accredited themselves. Our view is that the cost of training a new installer to become NSAP accredited is comparable with any internal training package.

With this in mind, EDF Energy believes that SMICoP should have a single accreditation for smart metering in order to give consumers the necessary piece of mind, and to ensure a positive customer experience.

##### **Q2: Is 'greater than two working days' an appropriate and reasonable notice period in the context of clause 2.7.9?**

We believe that the current wording in clause 2.7.9 is both appropriate and fit for purpose. Two working days will give suppliers the flexibility to ensure that the installer resource pool is used most efficiently, and that the rollout of smart meters can be done in the most optimal way, reducing lost time and costs to customers.

We would like to highlight to Ofgem that charging for a cancelled appointment is not something that we believe will be commonplace during the rollout of smart meters, as this could create a negative experience for consumers, which may impact on access rates.

**Q3: Should the SMICOP specify that suppliers must inform customers during the pre-installation period of any charges that could be applied if the customer were to cancel or reschedule an installation visit?**

In the interests of trust and transparency, we cannot see a reason why suppliers, during the pre-installation period, should not make customers aware that charges may be applied if a customer were to cancel an appointment at short notice. We believe this approach would be consistent with existing charging policies currently adopted in other sectors.

**Q4: Should the SMICOP specify that suppliers must inform customers during the pre-installation period, and before any installation appointment is agreed, that they are entitled to request a timed appointment as defined by the existing requirements of the Electricity (Standards of Performance) Regulations 2010 and the Gas (Standards of Performance) Regulations 2005?**

We do not believe it is necessary or appropriate to duplicate existing legislation in SMICoP. SMICoP has deliberately been developed over the past two years to complement existing regulation and legislation rather than duplicate it.

We would urge Ofgem to be mindful that the rollout of smart meters will be undertaken in a time bound period, and therefore the number of appointments will be significantly higher than we would see in a 'business as usual' environment. We must have the capability to rollout in the most effective and efficient way.

The consumer is at the heart of EDF Energy's smart meter programme and we have developed our processes so that we comply with the existing regulation relating to appointments. However, as consumers will be paying for the rollout of smart meters, we must avoid a situation where unnecessarily detailed clauses in SMICoP restrict a supplier's ability to rollout smart meters in the most cost effective and efficient manner.

**Q5: Should the SMICOP require suppliers, when they are seeking prior consent from a domestic customer to engage in face-to-face marketing at the installation visit, to tell these customers explicitly that they have no obligation to receive such marketing?**

It is unclear why there is a need to explicitly state to customers that they are under no obligation to receive marketing. Customers' rights are appropriately protected through the obligation on suppliers to seek explicit prior customer consent as to whether face-to-face marketing can take place during the installation visit. Further, we believe any concerns in this respect become less relevant if consumers are informed of exactly what products or services would be marketed at the visit.

We would draw Ofgem to clause 3.8.1 of the Code which already states that consent from a customer should be freely given and is a specific indication of their wishes.

**Q6: Should the SMICOP require suppliers, when obtaining prior consent from a domestic customer to engage in face-to-face marketing at the installation visit, to notify the customer of the types of products and services that may be discussed during a marketing conversation? For example, a supplier seeking to market both energy tariffs and energy efficiency products would need to specify that both types of product may be offered.**

From a simple trust and transparency perspective, EDF Energy will be providing the customer with a view of the products or services that we would like to be marketed at the visit at the time we are arranging the appointment.

We believe that the customer should have peace of mind that any marketing activity is going to be relevant and appropriate. Furthermore, the customer will remain in control of any marketing activity given their right to require the supplier to cease any marketing immediately on request.

**Q7: Should the SMICOP require suppliers to maintain an auditable record of instances where a customer requests that the supplier contacts them at a future date to conduct marketing or sales activities?**

We would like clarity from Ofgem as to what exactly is expected of an 'auditable' record. Other references to 'auditable' in SMICoP require suppliers to demonstrate that customers have given their consent, whether this be by phone call, letter or online.

We are concerned that getting the customer to 'sign' something at the visit may give them the wrong impression and, depending upon how this is delivered, could add unnecessary cost to the rollout – either in additional time onsite or technology capability.

EDF Energy is confident that existing regulation and legislation already in place (as listed in SMICoP) protects customers in this regard and we do not believe that the Code should duplicate this.

### Chapter 3

**Q8: Do you have any views on whether it is practicable for additional information to be included in the SMICOP on the costs to suppliers of fulfilling the code requirements around monitoring and compliance?**

EDF Energy cannot provide Ofgem with definitive costs at this stage as the customer survey process has not been finalised at the SMICoP Interim Steering Group (SISG). Additionally, SISG has not sourced an external auditor for the Code Change Board to commission to ensure suppliers' compliance. Our initial view is that the number of

customer feedback surveys we would be obliged to conduct is relatively small and the cost to EDF Energy would reflect this.

However, we question whether it is appropriate that all suppliers are required to attain the same number of successful surveys each quarter, regardless of market share. Under the current proposed methodology, the more customers a supplier has the larger the number of customers this cost can be smeared across.

In addition, we do not believe it would be consistent with other codes of practice to set out additional information on costs.

**EDF Energy**  
**March 2013**