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Dora Ianora
Smart Metering Team,
9 Millbank,
London,
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04 October 2013

Dear Dora,

Re. 'Supplier reporting to Ofgem during the smart meter roll-out' (30 July 2013), ref. 135/13

ElectraLink Ltd is pleased to respond to the Office of Gas and Electricity Market's (Ofgem's) consultation entitled 'Supplier reporting to Ofgem during the smart meter roll-out' (30 July 2013), ref. 135/13. In accordance with our central role as service provider of the Data Transfer Service (DTS) to the GB electricity market we have focused our response on those areas most closely aligned with our experience, knowledge and core competencies.

The Smart Metering Implementation Programme (SMIP) is one of the most significant projects to affect the GB electricity and gas retail markets since full market opening in 1998. The installation and operation of 53 million electricity and gas smart meters will involve a significant number of retail market participants and millions of energy customers. Amongst other considerations, the SMIP's success will depend on a large number of parties being able to share and review large amounts of information necessary to plan and carry out the installation of smart meters, ensure the on-going operation of smart meters, monitor roll-out progress and regulatory compliance, and complete ex-post assessment.

In this respect suppliers have licence obligations to periodically provide Ofgem with details of each suppliers' roll-out plans and progress against those plans. This is so that Ofgem can monitor suppliers' compliance with relevant licence obligations, identify issues with the roll-out and act upon them. Ofgem's consultation therefore seeks views on its plans to require suppliers to provide roll-out plans and progress reports.

About ElectraLink

ElectraLink was established in 1998 to procure and manage a regulated data transfer service that underpinned the newly formed competitive domestic electricity supply market. Since this date ElectraLink's Data Transfer Service (DTS) has effectively facilitated electricity retail market competition by supporting customer switching, settlement, agent management and meter administration business processes. Also, ElectraLink has expanded into the gas retail market and operates a commercial network service that supports competitive gas metering market. ElectraLink is therefore unique amongst the central bodies in its offering of dual fuel services,

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recognising the dual fuel nature of the rollout of smart meters and the requirement of users of such services in future in order to derive cost and operational efficiencies.

ElectraLink's data services have been developed over the last 1.5 years and take advantage of the unique data set that is sent over the DTS. The capability to intercept and aggregate this market data was granted to ElectraLink by the users of the DTS in February 2012, who recognised the ability to leverage additional value to industry through the aggregation and analysis of this data by a central body. The ability to access the data that flows across the DTS has enabled ElectraLink to review industry data and processes more holistically.

ElectraLink also provides comprehensive governance and professional services that support the electricity and gas markets. For example, ElectraLink is the central body responsible for administering the Distribution Connection and Use of System Agreement (DCUSA) and Supply Point Administration Agreement (SPAA).

The challenge ahead

The scale and cost of the SMIP means that it is important to monitor how the roll-out of smart meters is progressing so that issues relating to the roll-out can be identified quickly and acted upon. For example, identifying whether suppliers are failing to achieve their roll-out plans, which could jeopardise the overall aim of the SMIP to have rolled out smart meters to all domestic and smaller non-domestic premises by 2020; or identifying whether suppliers are not effectively supporting customers' needs during the roll-out (which may constitute a licence breach).

Therefore, effective reporting is essential for ensuring reliable and transparent smart meter data is made available to government and industry so as to enable effective planning, delivery and review.

In order for Ofgem to assess progress, suppliers are obliged to provide certain information, in particular, 'roll-out plans' and progress reports. Ofgem's consultation sets out in more detail how suppliers should comply with these licence obligations and seeks views on its proposals for reporting i) roll-out plans and ii) progress reports:

- Roll-out plans will require larger suppliers to provide Ofgem with details of its strategic approach, annual milestones (ie the percentage of domestic and smaller non-domestic premises which would have a smart or relevant advanced meter installed by the end of each calendar year) and narrative to explain its rationale for its milestones.
- Progress reports will require all suppliers to provide an annual report on their progress in rolling out smart and advanced meters, and to comment on how progress relates to each suppliers' original plans (eg in relation to larger suppliers, progress against published annual milestones).

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In order that Ofgem can reliably assess and compare the data submitted to it, and make effective, robust decisions, it will be essential that information is reported consistently and in comparable formats, and timing, by all parties. The definitions of the reports need to be consistent and clear. In our experience, failure to achieve unambiguous requirements in terms of content, methodology, frequency and method of communication can result in reports that lack integrity and are hard to reasonably compare. This is often driven by reporting parties drawing different interpretations of reporting requirements or having to make the best of inflexible internal systems.

Furthermore, the need to report on smart meter activity is not limited to the requirements proposed by Ofgem. In addition, the Department for Energy and Climate Change (DECC), central bodies, consumer watchdogs, trade associations and individual industry participants are considering requirements for sharing information with one another to enable the delivery of and reporting on the progress of the SMIP.

It is likely that large amounts of similar or identical data sets will be shared amongst interested parties, eg the numbers of and locations of installations or the numbers, types and locations of installation issues. Whilst we recognise that different recipients may have slightly different final reporting requirements, we note that these reports are likely to share common input data sources. If individual parties recreate variations of the same report/s for different recipients it is likely that the sharing of data will lead to inefficient duplication of effort and resources.

We believe that a more holistic and centralised approach to data gathering and reporting could make the sharing of information more efficient and less costly for the industry and for government.

Centralised reporting: greater efficiency and integrity

We believe that the general demand for data relating to the SMIP and the need for that data to be consistently produced to ensure comparability and integrity, points to the need for a holistic and centralised approach to data gathering and reporting.

By this we mean two things: i) that the reporting needs of different parties involved in the delivery of the SMIP could be co-ordinated, eg to ensure a set of core data sets that can be used to create final reports, and ii) that co-ordinated reporting would be more efficiently served by a central agent collating, cleansing and creating final reports for those who require them.

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We consider that by co-ordinating general reporting requirements and delivering a central reporting service, the following advantages could be realised:

- A single, authoritative view - consolidated inputs from different sources would enable a single source of smart meter data that would better facilitate consistency and comparability, and provide a single, authoritative view of GB activity. Such a central source would make the job of finding relevant, reliable data simpler and less costly for market participants, government and other interested parties, eg consumer advocates, trade associations, the press.

- Avoids duplicated effort - A central service provider could help to avoid or reduce the need for individual parties (eg suppliers) having to create variations of the same reports and for recipients to have to cleanse and consolidate multiple, potentially inconsistent, data sources.

- Flexible reporting – a central service provider would be able to quickly and efficiently aggregate or disaggregate a single data set to meet the reporting requirements of different users. These reports could be setup to automatically generate according to a schedule or on an ad-hoc request basis.

- More effectively take advantage of existing central data sources, eg the data sent over the Data Transfer Service (DTS), stored in DNOs' Meter Point Administration Services (MPAS) or in the GTs' Sites and Meters database. On the one hand, existing central data sources may be a more efficient means of gathering relevant smart meter data. In addition, these existing central data sources carry with them other complimentary data sets that could be combined with smart meter data to provide a richer view of activity in the GB retail markets.

Example: roll-out plans

Reporting roll-out plans is a good example that illustrates the value of a centralised approach. That is, without a centralised approach, each electricity and gas supplier will need to provide details of its roll-out plans to a variety of stakeholders and each report will be provided in varying levels of detail. So, whilst Ofgem may appreciate high-level, annualised details of suppliers' plans, DNOs, GDNs and other parties actively involved in the installation of smart meters will require details of suppliers' monthly plans broken down by location (eg postcode sector). In order to satisfy these different requirements each supplier will need to generate individual reports for each recipient and each recipient will need to collate the reports of each supplier in order to establish an appropriate understanding of the impact of all the roll-out plans.

Alternatively, a centralised approach would require each supplier to provide a single disaggregated report of planned gas and electricity installations to a central reporting agent. Each supplier's report would then be centrally collated thus enabling the central reporting agent to simply tailor final reports to different end users' requirements, whether it be, for example, Ofgem, a DNO, GDN or the Central Delivery Body.

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Furthermore, depending on the requirements of end users, the content of final reports could be tailored to incorporate information from other sources (eg change of supply or consumption information from the Data Transfer Network or IX Network) and provide extra value to end users.

We foresee a centralised approach supporting other potentially varied reporting requirements in relation to the following areas:

- Installation numbers
- Installation issues encountered/forecast
- Effects on change of supply activity
- Effects on consumption

Potential Centralised Providers

In terms of providing a centralised service, there are a variety of options and potential service providers able to deliver a co-ordinated approach to data sourcing and reporting. The following are examples of the types of organisations that could provide such a service and the advantages and disadvantages of each:

- Existing Central Bodies – eg ElectraLink, Xoserve, Gemserv, Elexon – provide impartial sectoral experience and access to existing industry data sources (eg DTS, ECOES, Settlement, Sites and Meters) which can be used to identify meter installation, installations issues, consumption and change of supply activity – Table 1 below illustrates the information ElectraLink has access to through the DTS; experience of developing and providing services to the industry on a regulated or commercial basis; however, no single central body can provide an authoritative single view of smart meter activity in the gas and electricity markets;
- DCC – will have clear visibility of all smart meter installations, smart meter instructions raised by market participants and in future is intended to take charge of all electricity and gas registration activities; however, DCC's initial activities have been designed to remain focused on delivering core smart meter services as opposed to other commercial activities;
- Government departments or delivery bodies – eg DECC, Ofgem, Ofgem E-Serve, Office for National Statistics – independent of industry; not focused on profiting from service provision; relevant experience of collating large bodies of data for analytical purposes and delivering government programmes; however, DECC and Ofgem's purposes are not to provide data reporting for the benefit of industry and consumers;
- Central Delivery Body – its objective is broadly to ensure the success of the SMIP; however its focus has been set on ensuring centralised consumer engagement, not co-ordinated data reporting;

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Table 1 - Information available from the DTS

Type of information	DTS data source	Of interest to:
Individual site consumption/settlement data	D0010s, D0019s	DECC, Ofgem, Central Delivery Body, Suppliers, DNOs
Change of supply activity	D0055s, D0058s, D0217s, D0311s	DECC, Ofgem, Central Delivery Body, Suppliers, MAPs
Meter installations	D0150s, D0312s	DECC, Ofgem, Central Delivery Body, Suppliers, MAPs
Installation/site/asset issues	D0001s, D0002s, D0004s, D0005s, D0126s, D0135s, D0221s	DECC, Ofgem, Suppliers, MOPs, DNOs
Changes in measurement class (ie NHH to HH settlement)	D0010s, D0011s, D0148s, D0149, D0150, D0151s, D0155s, D0268, D0289s	DECC, Ofgem, Suppliers, DNOs

If you have any questions in relation to our response or would like to discuss the options for data reporting in more detail, please do not hesitate to contact me.

Best regards,

Gavin Jones

Gavin Jones
Business Development Director