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18 February 2014

Dear Colin,

**Consultation on extending the existing smart meter framework for data access and privacy to Smart-Type Meters and Advanced Meters**

Thank you for the opportunity to respond to the above consultation. Our answers to the questions specifically asked in the consultation may be found in an annex to this letter.

We have always considered the asymmetry of the current baseline to be less than helpful to the overall delivery of smart metering. It seems more probable to us that the inconsistent application of protections would undermine the customer experience to a greater extent than would be likely from seeking an opt-in to data access arrangements. We therefore agree with Ofgem that those consumer protections afforded to smart metered customers should be extended to customers with smart-type meters.

However, we also recognise that a sudden requirement to revert to customers to clarify the position on the frequency with which their data is collected, might be onerous for some suppliers, and there is at least some risk that it will reflect poorly on the overall smart rollout. We would, therefore, urge some caution and appropriate grace periods in this respect.

Should you wish to discuss any aspect of this response please do not hesitate to contact me or David Ross Scott ([davidross.scott@scottishpower.com](mailto:davidross.scott@scottishpower.com)).

Yours sincerely,



**Rupert Steele**  
Director of Regulation

**CONSULTATION ON EXTENDING THE EXISTING SMART METER FRAMEWORK FOR DATA ACCESS AND PRIVACY TO SMART-TYPE METERS AND ADVANCED METERS**

**SCOTTISHPOWER RESPONSE**

**CHAPTER: Two**

**Question 1: Please provide views on the different approaches to extending the data access and privacy framework discussed in this chapter. In particular, which is your preferred approach and why?**

We concur with Ofgem on this point: there would seem no reasonable argument for denying customers with smart-type meters the same protections as those with smart meters.

While we agree that obtaining active customer consent can prove difficult in many circumstances, we would hope that customers with smart-type meters, particularly those taking advantage of smart services, will already be engaged with the smart programme and, therefore, more likely to opt-in. Conversely, customers that do not wish to opt in are less likely to be enjoying smart services anyway.

**Question 2: Does the licence drafting at Appendices 2 and 3 achieve our policy aims?**

We are broadly comfortable that the drafting satisfies the policy objectives. On the options being offered as to how long the “flexible approach” should last (in the definition of “Pre-installed Remote Access Meter” in Appendix 3), we consider that six months should be adequate.

**Question 3: We have questioned whether a consumer who already has a Smart-Type Meter being approached again regarding their choices for data privacy could create a poor experience. Relevant to this is the nature of the conversation on their choices they had at installation. If you think a more flexible framework (ie opt-out consent permissible if accessing Detailed Data) is necessary to prevent poor consumer experience, please provide evidence that the consumer would be unnecessarily inconvenienced by a further conversation regarding their choices.**

We think it unlikely that customers with smart-type meters would not, at least, have been offered the chance to opt out of having a smart meter in the first place. If those that consented to having a smart meter installed were not subsequently consulted on whether they were content to have their consumption data recovered to this degree of granularity, then it seems only right that they should be so consulted now. However, we also recognise that a sudden retrospective application of these requirements could prove particularly onerous for some suppliers and there is a risk that it might also serve to undermine the customer experience, reflecting poorly on the overall smart rollout.

Nonetheless, a letter, or perhaps an email, do not seem to us to represent too much of an intrusion and is more likely to simply be regarded as a follow-up to the smart installation. The alternative of leaving these customers with fewer protections than those with smart meters cannot really be considered acceptable.

**Question 4: If we fully extended the Privacy Requirements, what would the impact on consumers be in terms of loss of services?**

As explained in our response to Q1, we believe customers who value their smart services will be anxious to maintain their continuity; whereas those who do not, for whatever reason, are much less likely to be concerned at the loss of such services. Therefore, we would anticipate a fairly neutral consumer impact. Of course, it is to be hoped that the industry's consumer engagement efforts to date will prove to have been sufficient to minimise those falling into the latter category.

Moreover, perhaps, for such customers the loss of access to smart services is only likely to be temporary, as the subsequent replacement of smart-type meters with smart meters will offer their suppliers a further opportunity to re-engage and, in all probability, offer a much broader range of services, underpinned by better security.

**Question 5: If we introduce a flexible framework, what level of consent (ie opt-in or opt-out) should suppliers be required to obtain from domestic consumers before using any data for Marketing purposes?**

We believe the level of consent required should be opt-in.

**Question 6: If we introduce a flexible framework, do you consider there should be a grace period, after which suppliers would be required to get opt-in consent for Detailed Data? What would be an appropriate amount of time? Please provide reasons for your answers.**

We agree that the introduction of a flexible framework would seem to offer a more pragmatic approach, but do not believe a grace period of more than 6 months is warranted.

**CHAPTER: Three**

**Question 7: We invite comments on our proposal to extend the Privacy Requirements to cover Smart-Type Meters installed at micro businesses.**

Again, we think it would be both unfair and inconsistent to preserve such asymmetry in the protections afforded micro-business customers with smart meters and those with smart-type meters.

We would like to highlight a potential conflict between the Privacy Requirements and BSC Modification P272<sup>1</sup>. The latter will mandate half hourly settlement for all Profile Class 5 to 8, customers with an advanced meter. It is likely that some PC 5 to 8 customers will fall under the definition of micro business and therefore Ofgem will need to consider how these proposals should interact with the requirements of P272, as and when it may be implemented.

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<sup>1</sup> <https://www.ofgem.gov.uk/ofgem-publications/85912/directiontobscpanelonmodificationp272.pdf>

## **CHAPTER: Four**

### **Question 8: Do you agree with our proposal to not extend the existing data access and privacy arrangements that apply to network companies for premises with smart meters to network companies for premises with Smart-Type Meters?**

Yes we agree with Ofgem's proposals, for the reasons set out in the consultation. However, there would need to be a process for network companies to request the data from suppliers if there were sufficient Smart-Type Meters in an area for the data to be useful to the network concerned.

### **Question 9: Do you agree that 56 days is sufficient for suppliers to become compliant with their new obligations?**

Yes; in our view, the 56 days suggested in the consultation should offer a sufficient timeframe in which to become compliant (subject to the longer grace period required for the "flexible approach").

### **Question 10: If we extend the Privacy Requirements, are there any reasons why suppliers wouldn't be able to comply based on the metering stock it would apply to?**

It is unlikely that such constraints might arise from the metering stock, *per se*; however, it is far more likely that the contracted communications service and head-end service provider(s) will be unable to meet the new requirements: e.g. collection of half-hourly data might be hard coded into their systems and a grace period may be needed to adjust this.

It might also be necessary to give some form of dispensation in any (unusual) cases where it would be necessary to gain access to the customer's premises in order to change the frequency of data collection.

### **Question 11: We welcome views and evidence from stakeholders on whether consideration should be given to extending the existing SMICoP rules to the installation of Smart-Type Meters.**

Consumers can hardly be expected to appreciate the difference between smart type and smart meters. For that reason, we have consistently urged that the purview of the SMICoP be extended to cover smart-type meter installations. That said, there may be SMICoP provisions that are only applicable to smart meters, given the relevant technical characteristics concerned. We therefore, suggest a review of the SMICoP is undertaken to identify any such provisions so they can be suitably exempted from the extension of SMICoP to Smart-Type meters.

ScottishPower  
18 February 2014