

Feed-in Tariff Compliance Manager
Ofgem
9 Millbank,
London
SW1P 3GE

02 February 2015

Dear Sir,

Good Energy's response to Ofgem's consultation of AMR for biennial meter verification

Thank you for the invitation to respond to the above document. Good Energy is a fast-growing 100% renewable electricity supply company, offering value for money and award-winning customer service. An AIM-listed PLC, our mission is to support change in the energy market, address climate change and boost energy security.

Executive Summary

As a significant provider of services to Feed-in tariff customers, including many installations with AMR metering, we are strongly supportive of the proposal to exempt AMR meters from biennial meter verification process. We believe the risk of fraud is minimal with these meters, especially as many of these meters are in premises where the occupant is not the recipient of the Feed-in tariff (e.g. Housing association properties), and also the reasons such meters are installed is because of the difficulties of access.

We believe if these proposals are agreed they will increase the number of sites where AMR metering is used, especially by large organisations who are not the occupants of the property. But we are presently unsure how many of our current AMR portfolio would be classed as AMR under these rules. We believe Ofgem needs to discuss their proposals with our existing multi site generators, and consider whether some derogation process needs to be considered for existing sites that do not conform to these proposals.

We are also concerned that the proposals, taken as a whole will not lead to any reduction in the cost of the scheme, because of the additional checks needed if the alternative verification methods are to be used (for example checking that AMRs are integrated units, checking they are tamper proof, checking they have 4 levels of security and checking they have the right type of data model). When combined with the reading verification costs and any setup/process redesign costs, they could make the cost of the alternatives prohibitive for all but the very largest of our B2B portfolios. As FiT Licensees our staff are not experts in meters, and these checks will be both time consuming and require a level of expertise that our staff do not have, and which could not be given to them by simple training. We would therefore need to hire staff at a higher salary to get the calibre of staff needed, thus increasing costs even further. We would urge Ofgem to reconsider the burden it is putting on FiT Licensees in this regard, and would suggest that if Ofgem were to publish a list of recognised AMRs then it could be a solution to help less skilled staff to determine if the AMRs are integrated units. All suppliers have already submitted their data to DECC on qualifying FIT costs, and this change is not a factor in those submissions.

Finally, at your recent workshop, you asked for feedback on the grace period that FiT Licensees need to verify their remotely read meters (this was raised in the workshop with FiT. Good Energy has over 33,000 FiT installations with remote meters, which we believe is more than most other FiT Licensees and is higher

in proportion to our electricity supply meter base than other FIT Licensees. Given the number of remote meters which would need to be verified, and the step change in activity that this would create for us, we believe we would need at least 9-12 months to verify these meters, plus a further 3 months to set up systems and processes and recruit and train staff, i.e. 12-15 months in total

We have answered your specific questions below, expanding where necessary.

Q1. Do you agree with our proposal to allow the use of AMR data for biennial meter verification? Please provide evidence to support your answer?

We are supportive of the proposal as we believe it should not only lead to efficiencies, but also enhance the customer experience. Good Energy has over 33,000 sites with AMR meters, which we believe is a higher proportion of our portfolio than other licensees. A significant number of those AMR meters are in premises such as Housing Association accommodation, and as such the meters need to be placed out of sight (for example in loft cavities) so that the meters are not damaged by the tenant, and remote reading deals with the need to gain access when the property occupant is not the recipient of the feed-in tariff. If AMR data was accepted for biennial meter verification, then this would reduce the burden of licensees seeking to access hard to reach meters in properties where the occupant is not the FIT recipient.

The proposal however seems to assume that FIT recipients use independent 3rd parties to collect the data, where as there are several examples where the FIT recipient uses software at their own premises to collect the data before sending on to the FIT licensee. Clarity is required as to whether this is acceptable, or whether collection needs to be handled by a 3rd party or by the FIT licensee.

Q2. Do you agree with the methods of verification and sample size we have proposed? If not, what would you propose and for what reason?

We are supportive of this approach. We would envisage that method 1 would be preferable where the data is collected by an independent 3rd party, or the FIT licensee direct. Method 2 would be used where the data is collected by the FIT recipient.

With regard to sample size, we believe that a 5% sample every two years (or 2.5% a year) is overly cautious. However we would support this as an initial proposal on the understanding that this was reviewed after the first two years and considered in the light of the actual number of anomalies picked that were not visible in the verification checks.

Q3. Do you agree with the security measures proposed in this section? Are there any other security measures you think are required? If so, please provide reasoning and evidence to support your proposal

We believe the security measures mentioned are sensible, but we are not experts in this area. However, we are concerned that there may be existing AMR meters that do not reflect these measures in totality. We believe that a derogation process should be available for existing meters to be accepted provided the issues are either non-material or can be mitigated.

Q4. Do you agree with our proposals regarding standardisation of installation and commissioning, method of communication and data models? If not, what alternatives would you suggest?

We agree with your proposals.

Q5. Do you think that our proposals for monitoring and fault findings are suitable? If not, what further guidance would you suggest?

We agree with your proposals in principle, but there seems to be an assumption that the data retrievers are industry data collectors and not data collection by the fit recipient themselves. Therefore relying on industry standards seems to suggest that only data collectors accredited to collect settlement data can collect FIT meter data.

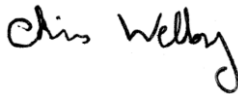
We believe clarity as to whom and who cannot collect data is needed.

Q6. What methods would you propose as alternatives to physically reading non-AMR meters?

We believe that a sampling approach similar to that proposed for AMR meters would be sensible, with perhaps a greater sample size based on the higher risk. We would also like to see Ofgem address the issue of non-AMR meters (including AMR meters that do not meet these proposals) that are located in difficult to access locations. As stated above, some of these meters need to be located away from the occupants of the property and create access issues on two levels. Firstly accessing the property as there is no incentive for the occupant to be amenable, and secondly accessing the meter which is often in hard to access locations.

I hope you find this response useful. If you have any questions or require clarification, please do not hesitate to contact me.

Kind regards,



Chris Welby

Policy & Regulatory Affairs Director