

Chris Wood OFGEM 9 Millbank London SW1P 3GE

05/02/2015

Dear Chris,

Consultation Response from Opus Energy: Use of Automatic Meter Readers for Biennial Meter Verification

Thank you for giving us the opportunity to respond to the questions outlined in your consultation document titled Use of Automatic Meter Readers for Biennial Meter Verification.

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

Opus Energy certainly recognises the benefits of being able to use AMR data for fulfilling our obligation to conduct biennial meter verification from sites that have an AMR meter installed recording the generation.

It seems sensible to allow these readings provided that the AMR meter installed is a recognised AMR meter, they have been installed by a recognised Meter Operator and that the data is being monitored using proven Data Retrieval Methods currently used within the rest of the electricity industry.

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

The proposed methods of verification seem to be slightly onerous to Licensees. We think that in practice the verification of AMR readings doesn't need to be any different to any other readings we receive as all readings are verified against a tolerance criteria. Only when a reading fails validation should it be investigated further.

Further investigation should then use proposed Method One, Two or Three.

Using Method One and verifying meter reads that come from a third party may prove problematic. We recognise that these may need to come directly from the data provider and not the generator to mitigate risk but this needs to be conducted using an agreed standard read template.

We think auditing generators systems under proposed Method Two would best be incorporated into the Annual Declaration lettering process as suggested whereby the Generator is making a declaration about any AMR generation meter they have installed and that it is still fit for purpose.



We think that the sample size of 5% of AMRs to be still physically checked that has been proposed seems be appropriate for an initial period however we feel that this should be reviewed annually based on the number of issues encountered and adjusted accordingly. The evidence to date that was voiced at the consultation meeting would suggest that out of 300,000 generation sites that have needed their biennial read then there have only been approximately 50 issues encountered and most of these were associated with genuine generator error rather than actual fraudulent activity. None of these issues were associated with AMR sites. This would mean that the 5% is a high starting point that should be reviewed annually and agreed with the suppliers based on the number of fraudulent issues encountered or by extending the biennial timeframe for an AMR site to a period greater than 2 years. If we were to continue with the 5% sample size then the best solution may be that Ofgem randomly select sites that a Supplier has to conduct a physical visit on and the results are investigated as part of the FIT Audit process. Then depending on the results these dictate the percentage required in the next review period.

Question three: 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

As stated within your consultation the obligation of ensuring the generation meter is recording correctly and has the appropriate level of security is firmly on the generator and the qualified person installing the meter and retrieving data. The Supplier has no contractual relationship with the provider of the data and how they have set up the security for the meter. Therefore any security aspect should not be the responsibility of the Supplier and all we can accept is that the generator has declared that there are sufficient security measures in place.

Question four: Do you agree with our proposals regarding standardisation of installation and commissioning, methods of communication and data models? If not, what alternatives would you suggest?

We think that if AMR for generation meters is to be allowed then MCS guidance and ROOFIT accreditation should be suitably updated to ensure installations with this enhanced technology are fit for purpose. The supplier only captures the details of the meter and meter type not that it has been commissioned correctly and should therefore not take responsibility that is described in section 5.6 of the consultation.

For methods of communication then a list of acceptable methods should be maintained within the Supplier Guidance and form part of the generators declaration that the AMR meter is fit for purpose.

We feel that Data models under 5.8 should be excluded from a Suppliers obligation.



## Question five: Do you think that our proposals for monitoring and fault findings are suitable? If not, what further guidance would you suggest?

Unfortunately a Supplier is not going to have access to system monitoring data or fault finding alerts. The only time that we may need to request such information is when the generator makes us aware of a potential issue. In our opinion the Supplier should have no obligation to ensure that the system monitoring or fault finding is of a required standard and this should be detailed within the MCS or ROOFIT guidelines.

## Question six: what methods would you propose as alternatives to physically reading non-AMR meters?

The key alternative that should be permitted as the alternative to obtaining a physical reading would be to obtain photos that clearly show the Generation meter serial number and clearly display the total generation reading. The properties of a photo sent via email can be verified with the date the read was taken.

In summary and to conclude our response we support the proposal to allow AMR for the use of biennial meter reads for suppliers to meet their obligation. The current costs incurred by Suppliers manually reading meters seems disproportionate to the issues found. Using AMR where applicable, photo verification and random sampling would be a much more cost effective solution.

Please let me know if you would like to discuss any of the above points, I'd be happy to oblige.

Yours sincerely

Andy Dayus

**Head of Renewable Operations**