



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

fitcompliance@ofgem.gov.uk

10 February 2015

Feed-in Tariffs Scheme: Use of automatic meter readers for biennial meter verification

Dear Chris,

SmartestEnergy welcomes the opportunity to respond to Ofgem's consultation on the use of automatic meter readers for biennial meter verification.

SmartestEnergy has been an aggregator of embedded generation since 2001 and a supplier in the electricity retail market serving large corporate and group organisations since 2008.

We are a Voluntary FIT Licensee and have been since the beginning of the scheme.

Please note that our response is not confidential.

Overview

The vast majority of the sites which we deal with have Settlements meters recording the export. These are subject to rigorous controls under the Balancing and Settlements Code (BSC). It would not be acceptable if further controls were introduced for these types of meters. Therefore, any proposals to change must make a distinction between Settlements meters used for measuring export and MCS meters used to measure generation under 30kW.

Under the BSC Half Hourly (HH) meters have to be inspected once every year and NHH once every two years. It is unnecessary therefore for export meters to be inspected again. If any change is to be made it should be to remove the current double inspection of Settlements meters. However, we are of the view that non Settlements meters should be inspected as per the current process.

It is certainly true that gathering the meter readings physically once every two years is somewhat bothersome and difficult to achieve outside of BSC procedures. It is not, however, in our view particularly expensive.



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SmartestEnergy Ltd, Dashwood House, 69 Old Broad Street, London EC2M 1QS
www.smartestenergy.com

Registered in England & Wales: No. 3994598



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We are also concerned that there is no mention in the document of who has the ultimate say over whether a certain alternative approach may be adopted. For instance, suppliers would probably find it more expensive to implement an audit process and would rather stick with known BSC standards and processes.

Ofgem have stated that they have received representation that AMRs have "improved capability to provide accurate data." We are concerned that there is no clear definition of AMR.

We understand that MCS installers do not follow the rigorous reporting required under the BSC to advise of meter faults. They are also not likely to be experienced in the estimation of data.

In summary, it is our perception that the current arrangements have been put in place because bringing MCS under the BSC would be deemed too expensive, but it would be inappropriate to reduce the safeguard of the two year inspection and not introduce significantly greater controls. In essence, what we currently have is simple and cheap and effective. The proposals here are more complex, more expensive and less effective

We answer the questions contained in the consultation in the order in which they appear below.

Question 1: 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 agree with this where there is a Settlements meter in place which complies with the Balancing and Settlement Code (BSC). The BSC states that HH meters must be inspected every two years and it would be good not to have to repeat this.

The introduction to the document states the following: "It has been suggested that the use of data from remotely read automatic meter readers (AMRs) is a suitable alternative means of verifying meter reads. The basis for this is that the data transmitted by AMRs is reliable and accurate and as such physically reading the meter is no longer required." However, it is not the automatic reading aspect which provides the assurance that the meter is fit for purpose. Whilst the document does suggest some standards, this is unnecessary when the BSC provides an appropriate framework such as rules around metering Codes of Practice. An AMR meter per se does not necessarily have to meet these standards.

We are also rather concerned by the argument that large numbers of meters positioned in inaccessible locations would not be an issue if the proposed changes for AMR are taken forward. Meters should never be placed in inaccessible locations and the recipient of FIT payments needs to communicate this (contractually, if necessary) to the person who provides access to the site.



Question 2: 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 comfortable with Method one (the use of data from meter service providers) where the meter is a Settlements meter. Where it is an MCS installer we do not agree with this method unless there is a formal Code of Practice they must adhere to.

We do not think that Method two (auditing of generator systems) is appropriate. Unless BSC processes are deployed there would be considerable additional expense for Suppliers to set up the processes to understand the communication security requirements, for example.

The document does not make it clear who would determine whether an audit could be employed. We foresee disagreements between Suppliers and generators. The document also does not specify to any great detail what an audit would consist of and we cannot believe that this would be simpler than the current physical inspection. In addition, requiring generators to confirm that the specifications of their AMR have not changed is an additional burdensome process for Suppliers.

We agree that 5% is an appropriate sampling size for physical visits if the proposals are taken forward. However, again, we foresee difficulties in gaining access if generators are of the view that the existence of AMR renders this unnecessary.

Question 3: 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.

For Settlements meters we do not agree with having security standards which differ from or are additional to the BSC. For MCS a process akin to the BSC would be appropriate. However, since this would be expensive we are of the view that things should stay as they are.

Question 4: 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?

No. The risks of fraud and the numbers of issues which other Suppliers seem to be facing suggest to us that stricter processes are required if these proposals are to go forward.





Question 5: Do you think that our proposals for monitoring and fault findings are suitable? If not, what further guidance would you suggest?

Again, for Settlements meters this role can be fulfilled by agents who comply with the BSC and the BSCPs. For MCS, the proposals do not go far enough. Methodologies need to be standardised and practitioners accredited and audited in that role.

Question 6: what methods would you propose as alternatives to physically reading non-AMR meters?

It could be argued that the submission of photographic reads should provide sufficient comfort that fraud is not taking place. However, we do not believe that a biennial visit is that inconvenient for the generator.

Should you require further clarification on this matter, please do not hesitate to contact me.

Yours sincerely,

Colin Prestwich

smartestenergy

Head of Regulatory Affairs
SmartestEnergy Limited.

T: 01473 234107
M: 07764 949374



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