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## **Reforming suppliers' meter inspection obligations**

Dear Pooja,

SmartestEnergy welcomes the opportunity to respond to Ofgem's consultation reforming suppliers' meter inspection obligations.

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.

Please note that our response is not confidential.

### **Overview**

This consultation relates to the obligation to inspect customers' meters at least once every two years. It would appear to refer solely to domestic and small non-domestic meters. Ofgem state that they believe that regulations and policies such as safety obligations and recently enhanced theft detection and billing accuracy obligations, protect consumers with traditional and smart meters more effectively than the existing meter inspection licence obligation. In reality, though, traditional meters are covered by BSC arrangements under which non-half hourly meters must be read biannually and half hourly annually.

Ofgem propose to repeal the meter inspection licence conditions, in line with the principles of better regulation. We agree that the licence could do with some reduction and agree that this particular licence condition is unnecessary as it is an obligation under the BSC anyway/will become redundant for Smart meters which are not covered. We look forward to further proposals in line with the principles of better regulation and hope that they can be packaged a little more effectively; this consultation is only about a few clauses in the licence.



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## Specific questions

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

### Ch1 Q1: Do you agree with our assessment of the need for reform?

We agree that the need for reform is justified on the basis of the “British Gas question” and the fact that smart meters will not be covered by the licence condition. We also believe that BSC requirements for meter inspection will suffice in the meantime. However, we do not agree with relying on HSE’s view that energy companies should take a risk-based, dynamic approach to fulfilling their statutory health and safety obligations in legislation as we believe that the BSC code subsidiary documents (and the equivalents in the gas industry) should explicitly oblige meter operators to look out for evidence of damage, tampering or deterioration.

### Ch2 Q1: Do you agree with the scope of our review?

We agree that the roll-out of smart and advanced meters makes the requirement to take a meter reading at sites redundant but it should be noted that this is not the only, or even primary, purpose of a site visit. However, we accept that anti-tamper and TRAS procedures should make up for this in the non-AMR market. We are not entirely convinced that it is in the interests of consumers generally to ignore the possibility of tampering in the AMR market.

### Ch2 Q2: Do you think we have focused on the right options for reform?

We think that repeal of the licence condition is sensible but that arrangements within the codes should be re-assessed to ensure the activities which are currently carried out at an inspection continue in the AMR market.

### Ch3 Q1: Are there any important impacts of reforming suppliers’ meter inspection obligations that we have not identified?

Please see answer to Ch2 Q2 above

### Ch4 Q1: Do you agree with our assessment of the options?



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No. We fail to see how the "repeal" option alone improves the effectiveness and efficiency on HSE grounds. However, we agree that on balance the "repeal" option has greater advantages than the "five yearly minimum frequency" option; it's just not the clear winner the analysis suggests.

**Ch4 Q2:** Do you have any evidence to support your views?

It is the consultation document which is lacking the supporting evidence behind some of the advantages of the "repeal" option.

**Ch5 Q1:** Do you think we have identified the consequent impacts of the preferred policy option?

Please see answer to Ch2 Q2 above

**Ch5 Q2:** Do you see any issues with our implementation approach?

Please see answer to Ch2 Q2 above

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

Yours sincerely,

Colin Prestwich

**smartestenergy**

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