



Not Confidential:

Colin Down
The Office of Gas and Electricity Markets,
9 Millbank,
London,
SW1P 3GE,

Name Mr Robert Finch
Phone 0779 5354133
Email: Robert.finch@npower.com

Sent by Email

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Ofgem Consultation – Large Supplier Smart Meter Rollout Plans and Annual Milestones

Dear Colin,

Thanks for the opportunity to respond to this consultation.

Whilst we support the concepts contained within this consultation and the proposed approach and drafting that has been undertaken by Ofgem, the consultation itself also raises a number of additional questions. We would therefore like to take this opportunity to highlight those here for Ofgem's further consideration and/ or clarification.

Proposal 1: Require suppliers to submit revised roll-out plans in January 2018 where new evidence exists that will or could have a material effect on previously submitted annual milestones or the assumed completion rate

In the first instance, it must be recognised that the Licence Conditions under review were first drafted in December 2012 and became effective in March 2013. At that stage, both the Government and the industry envisaged a Smart Programme that by 2018 would be fully capable in all respects with rollout operating at a peak level. However, since that point the view of Programme maturity and rollout has changed and this must be taken into account when looking at the feasibility of suppliers to be in a position to set fixed targets that can be knowingly achieved.

We support the concept of allowing Supplier's the ability to submit revised annual milestones in January 2018, where evidence exists that could have a material impact on planned milestones or accrued completion rates. However, we believe that there is sufficient justification to extend this to the January 2019 submission, without having to ask the Authority for consent to adjust plans given the current state of rollout maturity that currently exists.

Given that the basis for the licence conditions is predicated on the assumption that suppliers will have obtained complete insight from the rollout of SMETS2 meters that will inform the remaining rollout period, we challenge that this no longer applies.

There are a number of outstanding industry developments that are required to be completed in order for suppliers to be in a position to consider their whole portfolio. For example, the development of Dual Band Communications Hubs (DBCH) containing 868MHz technology that is still under development and is scheduled for release to test and implementation in mid-2018, when 'live' learning can commence.

Further, the development of a suitable range of Alternative HAN solutions currently rests with all suppliers. This still requires suppliers to identify and select a number of agreed solutions, suitable for installation into a range of operational situations that will be encountered at multiple dwelling unit locations. Suppliers will therefore not have had an opportunity to learn from these installations sufficiently to be able to take full account of them within their deployment prior to January 2018.

It must also be considered that with the potential for an application of a re-submitted plan to be rejected by the Authority, further uncertainty is actively driven into supplier operations, 'mid rollout'.

Proposal 2: Clarify the link between the revised roll-out plans and the 2020 roll-out obligation

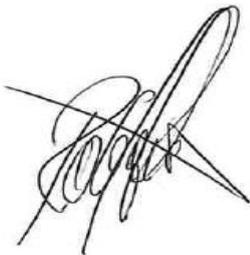
We welcome an ongoing conversation between suppliers and Ofgem to understand progress and learning and what is 'reasonable' for a supplier and its customers.

Further Considerations

We support the need for Ofgem to ensure that all customers benefit from Smart Meters at the earliest opportunity and we believe this is best facilitated by the whole market. By November 2017, all Suppliers must be DCC Users and thus potentially capable of installing SMETS2 meters. In the interests of market consistency and fairness, we ask Ofgem to again consider whether it is now appropriate that smaller Suppliers are subject to the same milestone planning requirements as larger Suppliers.

I trust that this response is helpful. Please do not hesitate to contact me should you require any further information or clarification on any aspect.

Yours sincerely,



Mr R. N Finch

[npower](#)

Npower Group plc
2 Princes Way
Solihull
West Midlands
B91 3ES

T +44(0)121 336 5100
F +44(0)1793/89 25 25
I www.npower.com

Registered office:
Npower Group plc
Windmill Hill Business Park
Whitehill Way
Swindon
Wiltshire SN5 6PB

Registered in England
and Wales no. 8241182

