

Electricity Systems Team
Department for Business, Energy, and Industrial Strategy
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12 January 2017

Dear colleague,

Smart Energy GB response: Plan for a Smart, Flexible Energy System - A call for evidence

Thank you for the opportunity to respond to this consultation on delivering a smart, flexible energy grid. Smart Energy GB is the voice of the smart meter rollout. It's our task to help everyone in Great Britain understand smart meters, the national rollout and how to use their new meters to get their gas and electricity under control.

As the organisation leading consumer engagement to support this national rollout, our response focuses on question 39, relating to engaging households and small non-domestic premises.

39. When does engaging/informing domestic and smaller non-domestic consumers about the transition to a smarter energy system become a top priority and why (i.e. in terms of trigger points)?

Britain's energy digitisation involves a transformation of the way consumers and microbusinesses buy and use their energy. It is a journey on the part of the consumer, as well as the energy industry, as consumers who have been historically disengaged with their energy change their behaviour, empowered by digital technology. This transformation goes beyond changing their energy meter and will include fundamental change to the way they interact with the energy market via new tariffs and smart-enabled services.

Engaging domestic consumers with this transition must be done at the right time and in the right way. Through speaking to more than 60,000 consumers during 2015 and 90,000 consumers during 2016, Smart Energy GB has gathered insights on the messages that resonate with consumers, those which motivate them to take action on smart meters and energy use, and on levels of potential concerns and questions they have about Britain's national energy digitisation. This insight has informed our view of the future trigger points which will indicate that it is the right time for further and deeper engagement for domestic consumers with specific messages about the transition to a smarter energy system.

Even before there has been consumer engagement at any scale specifically on the topic of Britain's smarter energy future, consumers indicate that they are positive about and have no major concerns about changes to the way they will buy and use their energy in future. Research conducted for Smart Energy GB by the UCL Energy Institute in 2015 demonstrated that, even at that early stage of Smart Energy GB's campaign, one-third of all

energy consumers would be interested in taking up a time of use tariff.¹ Our latest publication of *Smart energy outlook*, the biggest independent survey of consumer attitudes towards smart meters and energy use conducted for us by Populus twice yearly, has not identified any significant areas of consumer concern about Britain's smarter energy future.

However, it is important to phase consumer messaging to ensure that detailed information about Britain's smarter energy system is only offered to consumers at the time they are able to fully engage with those messages through action.

Smart Energy GB's first Consumer Engagement Plan (2013)² gathered its evidential base by speaking directly to consumers and had the input of recognised experts on consumer engagement. It set out how our campaign would phase our messaging over the lifetime of the national smart meter rollout.

This early plan contained two important and relevant insights: firstly that smart meters pave the way for consumers to benefit from smart appliances, new tariffs and other future technologies, but that these messages should be used only as support for the core area of 'control', adding an additional layer of positive emotion when used in conjunction with the core message (para 7.4.3). And secondly, that our message should be phased and that only towards the end of mass roll-out, when smart appliances and more innovative tariffs offer further ways to help control energy use and lower costs, would we focus on these developments as new incentives to 'say yes' to a smart meter installation (para 9.4).

While we constantly gather new insight into the resonance of our messages among consumers, the insights in this Plan remain relevant to the phasing of our campaign.

We are currently in the first phase of our messaging on Britain's smart future – making information directly and easily available to those consumers who have a particular interest or specific questions, and preparing the ground for later phases of the campaign via ensuring opinion-formers and experts across a range of fields are aware of, and positive about, the way smart technology will transform Britain's energy system for the better.

For consumers with a particular interest in the smarter energy system, we have a section of our website dedicated to smart grids and Britain's smarter future. We have also produced a short animated film on this topic, voiced by Jim Broadbent and available on our YouTube channel.

Our campaign in this phase has focussed on opinion-formers and expert voices. Through our Smarter Britain series of stakeholder and opinion-former events, we have secured the advocacy of a range of influential opinion formers for smart meters and their broader benefits such as enabling smarter cities, supporting de-carbonisation, the smart energy grid and innovation. We have held six TEDtalk-style thought leadership events, published research and white papers, and amplified via earned media endorsements and expert comment from Professor Dieter Helm, Sir John Armitt, Lord O'Donnell, Jonathon Porritt, Dr Marilyn Lennon and Sir David King amongst many others. Content from this strand of the campaign has been viewed over 30,000 times on social media and has generated over 40 pieces of media coverage in specialist publications such as the New Scientist and BusinessGreen.

¹ University College London and Smart Energy GB (2015) *Is it time? Consumers and time of use tariffs*, available on <https://www.smartenergygb.org/en/~media/SmartEnergy/essential-documents/press-resources/Documents/UCL-research-into-time-of-use-tariffs.ashx>

² Smart Meter Central Delivery Body (Smart Energy GB) (2013) *Engagement Plan for Smart Meter Roll-out*, available on <https://www.smartenergygb.org/en/~media/SmartEnergy/essential-documents/essential-documents/english/Consumer-Engagement-Plan-2013.ashx>



The voice of the
smart meter rollout

This work has created an environment of positivity towards the future innovations enabled by smart meters, within which consumers can hear messages about the immediate benefits to them and their families. Although smart future messages are not yet present within the mainstream consumer campaign, our opinion-former work on Britain's smarter future has already been resonating with consumers who see our mainstream advertising. Consumers who have engaged with Smart Energy GB's campaign are 19 percentage points more likely than those who haven't to agree with the statement "smart meters help make the whole energy network more efficient".

We will enter a second phase of this messaging at the point when consumers are being made a real and present offer, at widespread scale, of smart appliances and new time-of-use tariffs by energy suppliers, retailers and others. Although some time-of-use tariffs are now available, these are currently limited in scope and offered only by a small number of suppliers. It is when the smarter future becomes an immediate offer to consumers – evidenced for example by industry advertising at scale – that we will enter this second phase. We anticipate that this point will be during 2018, when enough meters have been installed for energy suppliers and retailers to be fully engaged with the marketing of new products and tariffs.

We are further preparing for this second phase of our smart future messaging through our work on behaviour change in energy usage – one of Smart Energy GB's statutory tasks. Last year we published a white paper, *A smart route to change*, in which we set out our approach to delivering behaviour change and set out interventions for future testing. Messages surrounding time of use tariffs, for example, will be refined and developed as we test specific interventions to establish how consumers are motivated by smarter future innovations to have their smart meter installed and change their energy behaviour.

The consultation highlights the importance of supporting those who may face additional barriers in the transition to a smart energy grid. Our campaign recognises the importance of this too, and has been designed to reach every household. Our approach to supporting those who may face such barriers is detailed in *Smart energy for all*.

A key pillar of our approach is working in partnership with trusted intermediaries, including national bodies, local and community groups. For instance, we have partnered with Age UK, a key channel to reach older audiences and with the British Institute of Learning Disabilities, who have worked with us to create accessible information. Such intermediaries are essential in communications relating to change, and to ensure that groups do not get left behind.

This partnership programme will remain an essential way our campaign will arm trusted organisations with the information they need to answer questions from consumers with additional barriers about the smart future and how they will interact with new tariffs and services. It includes a major partnership with the Post Office, and information on Britain's smart future has been included in a leaflet available at Post Office branches throughout the country.

Should you have any questions or require any additional information regarding any of the information we have provided, please get in touch with Rob Smith, Head of Policy and Public Affairs at rob.smith@smartenergyGB.org or on 0203 015 1052.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Sacha", followed by a long horizontal line.

Sacha Deshmukh
Chief Executive