



## **Ofgem Consultation on the Post-2020 Smart Meter Rollout Reporting Requirements**

### Response of Smart Energy GB

Smart Energy GB welcomes this consultation. Our comments in response focus specifically on those areas where we feel we either have direct experience, expertise and/or interest. Most of those comments relate to, and are supportive of, the principles set out by Ofgem.

This consultation accompanies the wider consultation by the Department for Business, Energy and Industrial Strategy on the policy framework that will underpin the smart meter rollout after the end of 2020. In our response to the BEIS consultation we set out what we believe will be required in terms of policy levers, obligations placed on energy suppliers and engagement with consumers, including vulnerable consumers, in order to achieve a market-wide rollout over the coming years.

As stated in our response to BEIS, annual milestones are vitally important, as is robust monitoring of the performance of suppliers against them. Given Ofgem's responsibility to monitor supplier compliance against their licences, we believe Ofgem should have sufficient information to carry out its responsibilities (see point 1.2 and 3.1). However, as we also said in response to the BEIS consultation, while annual milestones are necessary, they alone are not sufficient to achieve 100% or even 85% penetration of smart meters, and certainly not by the end of 2024. Significant additional policy interventions will be required.

We note that (in 1.1) Ofgem is minded to define large suppliers as those with 150,000 or more gas and/or electricity customer accounts, thereby requiring these companies to provide additional reporting than will be required from small suppliers. In light of this, our assumption is that the lower threshold would therefore also apply to the allocation of funding for Smart Energy GB. This would mean that suppliers with 150,000 or more gas and/or electricity customer accounts would contribute to our capital (campaign) costs and our fixed operating costs. This factor should not alter Ofgem's position, but it is something for it to bear in mind in reaching its final decision.

On a related point, we note Ofgem's proposals (in 2.2 and 3.2) for the information large suppliers will be required to submit in terms of compliance with the agreed milestones; in particular, that suppliers demonstrate that all customers are able to access the benefits that a smart meter can bring and that no customer groups are being left behind. Our significant experience of engaging with hard-to-reach consumers leads us to support the principle of these proposals. We believe that the data received by Ofgem should provide an overview of the entire customer journey to understand what is and isn't working. For example,



information gathered in the first part of 2019 about the customer journey showed that a significant proportion of consumers attempting to book a smart meter were not able to successfully complete the suppliers' booking process.

We would urge Ofgem to look again at its 'minded-to' position to place different requirements on small and large suppliers in terms of the data they provide about compliance with their milestones in relation to vulnerable consumers. All suppliers, large or small, have a responsibility to ensure that the vulnerable consumers that they supply are not left behind, and therefore every company should be required to provide segmented information about their performance in this regard.

This point goes to the heart of the principle of transparency, dealt with by Ofgem in section 4 of the consultation paper. We are supportive of the principle of maximum transparency Ofgem has set out and therefore the proposal that information about each suppliers' performance should be published on their websites (in addition to being on Ofgem's site). Energy suppliers should be required to do so in such a way that it is easily accessible by consumers.

We hope that these brief comments in response to the consultation are helpful to Ofgem. If required we would of course be very happy to provide more detailed information.

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**Smart Energy GB**