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Sent by email to: [smartmetering@ofgem.gov.uk](mailto:smartmetering@ofgem.gov.uk)

Dear Jacqui,

**Statutory consultation on the post-2020 smart meter rollout supplier reporting requirements**

We welcome the opportunity to provide our views on Ofgem's post-2020 smart meter rollout supplier reporting requirements. This response represents the views of SSE Business Energy (SSE Energy Supply Limited).

As an energy supplier committed to a low-carbon future, SSE is a strong supporter of the net-zero ambition and we recognise the role smart meters and advanced meters can play in decarbonising the energy sector. We recognise that Ofgem will continue to provide regulatory oversight of energy suppliers' compliance with the smart meter rollout and welcome the action being taken to align the Ofgem reporting requirements with Government reporting.

We note that Ofgem will take into account the Government's final decision on policy design before making a final decision on the reporting requirements for suppliers. We agree there is a need to maintain an overarching obligation for energy suppliers to continue the rollout of smart meters but consider that additional policy mechanisms will need to be introduced to ensure delivery to the desired level. As a result, we believe it is important that Ofgem continues to take into account the unique characteristics of each supplier's portfolio when assessing performance as part of the end of year performance reporting.

A more detailed response to the consultation is set out in Annex A.

We would be happy to meet Ofgem to discuss our response in more detail and look forward to working with Ofgem on the delivery of this new reporting framework.

Yours sincerely

**Sam Bird**

Head of Regulation – Customer Solutions GB

## **Annex A**

### **Section 1 – Overarching Principles**

SSE agrees that it is proportionate that small suppliers should continue to be subject to less onerous reporting requirements under the proposed new obligation. We consider that it is appropriate to align the definition of a large supplier with the reporting requirements for the ECO or WHD schemes given suppliers who participate in such schemes are already likely to have the necessary resources and reporting processes in place. However, we would request that Ofgem consider extending the small supplier framework to other suppliers who are also not subject to the obligations imposed by the ECO or WHD schemes, e.g. non-domestic suppliers. This would fully align the reporting requirements with these schemes, minimising the reporting burden on suppliers who are not otherwise subject to these schemes.

We consider that it is appropriate that all suppliers should report their milestones to Ofgem by 31 January each year.

### **Section 2 – Beginning of Year Report**

SSE considers that the ‘Beginning of Year Reporting’ proposals are reasonable. We understand the rationale for providing Ofgem with information on key dependencies, risks and mitigation strategies at the start of the year. We would, however, highlight that it is important to recognise that these could evolve considerably over the course of a year and that such information is only likely to provide a snapshot of a supplier’s programme. We do, therefore, consider that it is important that suppliers continue to have the opportunity to engage with Ofgem throughout each year.

### **Section 3 – End of Year Performance Report**

SSE considers that the ‘End of Year Performance Reporting’ proposals are reasonable. We note that the narrative provided by suppliers will support Ofgem in determining, in line with your enforcement guidelines, whether to consider taking enforcement action against a supplier who is in breach of a licence condition. In the absence of an obligation to take ‘all reasonable steps’ we consider that it would be beneficial for Ofgem to provide suppliers with guidance on the factors it will take into account or actions it would expect suppliers to take, e.g. where a supplier portfolio includes a significant proportion of meter types where a smart meter is technically unavailable or where a supplier can evidence high levels of customer refusal.

### **Section 4 – Publication of Information**

SSE considers that Ofgem’s proposals on publishing information on supplier websites are reasonable. However, we consider that Ofgem should take into account the risk that the publication of this information may attract negative publicity on the smart meter rollout, disengaging customers further.

### **Section 5 – Regulatory Framework**

SSE considers that the draft licence conditions are likely to achieve the outcomes set out in this consultation. However, we consider that it would be beneficial to include a ‘de minimis’ threshold for the requirements to provide, or publish, the planned split of the customer portfolio by credit/pre-payment or domestic/non-domestic customers. This would avoid the unintended consequence of suppliers with concentrated portfolios being required under the licence conditions to publish information that is unlikely to offer any meaningful insight for customers.