

Via email: Nicholas.Bare@ofgem.gov.uk

14 February 2019

Chameleon Technology's response to Ofgem's Forward Work Programme for 2019-21

Chameleon Technology is pleased to have the opportunity to comment on and feed back to Ofgem's Forward Work Programme for 2019-21. Chameleon Technology attended Ofgem's stakeholder event in Manchester in February 2019, and it was evident that there is significant interest from many market participants in Ofgem's future role as the regulator of the energy industry, and not simply the traditional energy suppliers and network companies. Ofgem's policy decisions have impacts on supply chains, skills, investments and jobs and therefore it is very useful to have a view of Ofgem's primary activity for the next 24 months.

Please see below an introduction to Chameleon Technology as well as high level response and key points on the Forward Work Programme.

Introduction to Chameleon Technology:

Chameleon Technology is a multi-award-winning, market leading, innovative technology company specialising in real time energy data. Chameleon Technology has been working with the wider energy industry for some years as part of the domestic smart meter rollout, providing the vital customer engagement element of the smart metering solution to enable customers to visualise and act upon their real-time energy consumption and costs for the first time.

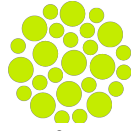
Chameleon Technology believes that In Home Displays will help all customers manage their energy use better, and also help them to manage their bills, which is very important for those on low income and those living in sub-standard properties. To date we have delivered over three million In Home Displays and we expect to provide many more millions over the next couple of years.

Chameleon Technology is now looking at what revolutionary applications can be developed using the energy data on behalf of domestic and non-domestic energy consumers. Chameleon Technology works with a variety of energy suppliers and other businesses to create solutions to increase awareness of energy consumption and encourage behaviour change through bespoke insights to deliver cost savings and energy reduction and comfort.

Chameleon Technology believes that all customers can benefit significantly from new technology in the digitalised energy world. Developments in hardware and software solutions can enable increased awareness levels and behaviour change. Chameleon Technology wants to ensure that the digitalised energy technology revolution helps customers to manage their energy bills and heat their homes better. Much of our current development work is on creating solutions for customers experiencing certain vulnerabilities.

High Level Points:

- We support Ofgem's new two-year approach as it is useful to gain a longer-term view of how the energy landscape will evolve in the UK under the regulator. Many of the important projects Ofgem is undertaking (market reform, ½ hourly settlement, 24hr switching, supplier hub review etc) are complex and multi-layered with significant dependencies and consequences and so will take longer than 12 months to deliver. In addition to this approach Chameleon Technology would welcome Ofgem's sharing its longer-term vision for the energy market – i.e. what does success look like in 2025/2030? And its role within that, so that we can forward plan as much as possible.
- It is important that Ofgem works with BEIS and all other relevant Government departments to achieve the long-term ambitions of the GB energy market, to rapidly bring about the 4 Ds of energy – digitalisation, decarbonisation, decentralisation and democratisation. Whilst Ofgem has significant responsibility and opportunity in these areas some policy decisions may be made elsewhere which



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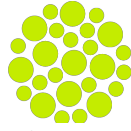
have an impact on Ofgem and the regulated market, especially when Ofgem considers vulnerability and affordability.

- Chameleon Technology is pleased to learn that Ofgem will soon publish their new consumer vulnerability strategy. Ofgem, the industry, consumer groups and others have done significant work to support vulnerable customers. However, as the industry develops, such as from the roll out of smart meters, there are many new opportunities developing to provide new levels of support for vulnerable customers.
- Chameleon is also excited about the significant changes Ofgem is bringing about to the market – for example faster and more reliable switching, electricity settlement reform and smart metering as well as the review of the future retail market design. These programmes have the potential to support customers and revolutionise the energy market to bring about the decarbonisation and decentralisation of energy.

I hope you find our response useful. If you have any questions or would like to discuss in further detail, please contact me on frances.williamson@chameleontechnology.co.uk

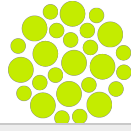
Yours sincerely,

Frances Williamson
Head of Communications and Industry Engagement
Chameleon Technology



Response to specific consultation areas:

<p>Supplier licensing review – Continue to introduce changes to raise standards around financial resilience and customer service, by mid-2020</p>	<p>We support Ofgem’s focus on improving customer service through principles-based regulation, as it is in all market participants’ interests to help create an industry where customers are informed, engaged, empowered and trust companies within the industry to offer them fair products which meet their needs.</p> <p>For the UK to meet its carbon commitments, energy consumers need to be participating with the industry (through for example, a member of a local energy market community project, living in a smart building with modern district heat, open to having a smart meter and engage with the IHD, install energy efficiency measures within their homes etc).</p> <p>Customers are more likely to engage when they have positive customer service, as well as recommend that to friends and family.</p>
<p>Strategic review of the micro-business retail market – Understand market challenges and consumer experience, and identify the case for short and medium-term actions, by March 2021</p>	<p>This is an important area for Ofgem to review, as micro businesses are a key customer segment, though customers and the market structure can be quite different to the domestic market.</p> <p>Ofgem must coordinate its activities with BEIS in this area to ensure policy decisions and outcomes are aligned and successful.</p> <p>The impact of the smart meter roll out on SMEs creates new opportunities for action and engagement from industry. Chameleon is participating in a trial to engage customers in the non-domestic market and we would be very happy to discuss this with you.</p>
<p>Development of vulnerability and consumer policy – Publish the consumer vulnerability report by July 2019 and bring forward a new best-in-class strategy to address the needs of all consumers, particularly the vulnerable, by August 2019</p>	<p>Chameleon was very pleased to respond to Ofgem’s recent call for evidence on prepayment self-disconnection and self-rationing.</p> <p>Chameleon Technology provided use-cases of how access to real time energy data and innovative digitalisation energy technology can help improve customers’ lives, with a specific focus on opportunities to help vulnerable customers.</p> <p>Chameleon Technology sees the digitalisation of the industry from the roll out of smart meters an exciting and significant opportunity to improve the products and services for those customers in vulnerable circumstances.</p>
<p>Supplier oversight and policy: smart meter compliance – Hold suppliers to account for the roll out of smart metering and for delivery of a positive consumer experience (ongoing)</p>	<p>Chameleon is a product manufacturer and service provider for the smart meter roll out. Our customers cover the majority of the energy suppliers. Ensuring there is a firm roll out plan is critical for the delivery of our IHDs and other products and services. We have invested in the capabilities – both in people and products - to deliver IHDs at scale to ensure that customers receive the benefits of the smart meter within the intended policy time frame; any delays to the roll out will result in customers losing out on access to their real time energy data and being empowered to make key decisions about their energy use and spend.</p>
<p>Targeted charging review – Consult on proposals for reform of residual electricity network charges and other embedded benefits and reach a final decision on these proposals in 2019</p>	<p>Whilst Chameleon has not responded directly to this, we are a co-signatory on the Flexibility First response to the TCR consultation. It is important that Ofgem considers the consequences of their policy making and makes sure that it has the intended outcomes that align with overall Government policy aims.</p>
<p>Energy Company Obligation (ECO) – Reduce carbon dioxide emissions from domestic energy use and tackle fuel poverty (ongoing)</p>	<p>ECO is a powerful lever to support customers in fuel poverty and reduce carbon dioxide. Ofgem and BEIS should consider innovative opportunities that the smart meter roll out and access to real time energy data could to improve the targeting and delivery of ECO to ensure it is as cost effective and meets the policy outcomes. The</p>



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	digitalisation of energy creates new opportunities to provide solutions to help customers in fuel poverty.
EU exit implementation – Work with Government and industry to ensure the regulatory structure (legislation, licences and codes) continues to function appropriately after the UK’s withdrawal from the EU and that impacts on consumers are identified and mitigated (ongoing)	We, as well as wider industry, are keen to receive certainty of transposition of EU Legislation, especially with the roll out of smart meters, and we would expect Ofgem to work with Government as well as the EU to ensure that the UK remains a leader in innovation and energy within Europe.