

ESTA RESPONSE TO:



Stage 1 of the Smart Energy Code: A Government response and a consultation on draft legal text.

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ESTA Energy Services and Technology Association

ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members include energy consultants, aM&T providers, controls manufacturers through to full Energy Services/Contract Energy Management mainly working in the I&C sector.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Efficiency Directive and the rollout of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the UK's realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues, which we respect as expressing their own definitive view.

Stage 1 of the Smart Energy Code: A Government response and a consultation on draft legal text.

ESTA welcomes the opportunity to respond to this consultation and continues to provide its support and input to government incentives and consultations from a knowledgeable demand side viewpoint.

Our members are charged with facilitating best practice and innovative design to ensure consumers gain maximum advantage from an open and competitive market and aim for this to continue throughout forthcoming policy decisions.

Below are points that have arisen through the interpretation of:

SEC Panel

Question 4: Do you think the members of the Panel nominated by industry should be drawn from and elected in equal numbers by Party category OR be elected by all Parties (as set out in the legal drafting). Please give reasons for your answer.

We agree that the make-up of the SEC Panel should be drawn from industry stakeholders as suggested, however we believe that ESTA is the only fully representative and proactive demand side industry body able to provide an informed view from sufficiently empowered experts on metering and the consumer. We therefore would like to be considered in conjunction with Consumer Focus for a seat on the SEC Panel representing the demand side.

ESTA firmly believes that the meter and its associated communications is the final arbiter between supply and demand, or perhaps in the new world of embedded generation between energy customer and energy retailer.

The costs for this implementation will be borne by the customer. However, benefits will only be passed on to the customer through competitive market forces which will not be achieved without a large enough demand side voice on the SEC Panel.

In addition to this knowledge we also expect ESTA aM&T (automated Monitoring & Targeting) service providers to be significant users of the DCC.

Raising a few points to support this request:

1. We envisage that the SEC will continue the work that the SMIP working groups are undertaking. ESTA have been a constant supporter, providing resource directly and through its members to support SMIP development and wish to continue to input directly into the ongoing programme through the SEC Panel.
2. ESTA have provided technical expertise to the working groups and in bilaterals identifying issues for example with the HAN and suggesting solutions. Also, external advice (e.g. Jersey Electricity) indicates a greater dependence on technical aspects, which ESTA can provide. Future working group recommendations need to be

technically understood at an oversight level, so it is important that the SEC has that ability to draw on.

3. ESTA are currently consulting with DECC on drawing consumer benefits from smart metering, particularly in the SME sector – part of our message is that DCC requirements will change dynamically to maintain energy best practice, which will require continued oversight by demand side expertise.
4. ESTA members have pioneered supplier-independent meter reading (DCC opt-out) in industrial gas for example, formalised with the Automatic Meter Reading Service Provider Code of Practice (ASPCoP). As this process is likely to run in parallel with the DCC for a number of years until matched or superceded it will make sure maximum value from the DCC is maintained.
5. Currently ESTA members poll in excess of 250,000 meters on a daily basis by AMR (excluding ESTA's retail supply members). This is a significant proportion of the total smart meters currently being polled in transition.
6. ESTA members as mentioned previously are likely to be significant users of the DCC if HH data provision proves to be cost effective. Data imported directly to aM&T systems rather than inherited from suppliers will be much more effective, particularly in Day+1 applications.
7. Certain areas of continued work that have yet to be fully discussed in SMIP or included in SMETS include demand response. Discussion surrounding how demand response is controlled, who controls it, how it is supported over the WAN and HAN, who has access, privileges and rights etc, still needs to be debated and drawn up. ESTAs Energy Controls Group members are ideally suited to provide considerable experience in this area, which again provides the flexibility and knowledge required for high level as well as technical knowledge on the SEC Panel.
8. Ongoing Consumer Engagement is also a vital part of the success of the programme and ESTA is well positioned to provide 'coal face' recommendations as how this should best be progressed going forward.