

Smart Metering Implementation Programme
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Consultation on the consumer engagement strategy supporting the smart meter rollout (reference URN 12D/033): response from National Grid Metering

Thank you for your invitation of 05 April to comment on the Department of Energy and Climate Change (DECC) smart metering consumer engagement strategy. National Grid Metering is a subsidiary of National Grid Gas, providing metering services to around 15 million traditional meters. National Grid Metering has an enduring interest in current and future developments in metering, particularly in the transition to smart technologies.

Although not actively participating in the roll-out of smart metering for residential customers, National Grid Metering will be impacted by the transition from traditional metering. Ensuring clarity and consistency of message through the transitional period will be vital to facilitate smart roll-out without incurring unnecessary cost. Good communication and customer satisfaction remain priorities for our business, both in terms of suppliers and end-consumers.

We understand the rationale for the introduction of a Central Delivery Body and broadly support the aims and objectives of the engagement strategy. However, we believe that the needs of consumers at smaller non-domestic sites differ significantly and further consideration is needed to address their potential concerns.

We have provided our response against the chapters listed, rather than against each consultation question, given that we are not a gas supplier and do not feel it appropriate to comment against all of the questions posed.

Chapter Two – Introduction

The high level aims of the engagement strategy focus on building domestic consumers' awareness - the more specific objectives detailed recognise that non-domestic consumers also require effective engagement. Non-domestic consumers are likely to have different requirements when defining the benefits, technology and service options available to them. As such, a single approach to all consumers may not be effective and some tailoring would be needed.

An additional opportunity the consumer engagement strategy could utilise centres on developing consumer confidence in the new functionality smart technology will offer. For vulnerable consumers and those in fuel poverty, focus on aspects such as remote tariff switching may increase energy management awareness. However, the opportunity also exists to address any concerns over functionality, valve operation and ensuring the technical

design ensures continuity of supply for vulnerable customers. Ensuring consumers are aware of the differences between smart and traditional meters and the relative benefits these differences can afford them could be useful in building consumer confidence.

Chapter Three – Effective Consumer Engagement

The experiences of early mover suppliers through the Foundation stage will be significant in shaping the tone of engagement approaches. Inclusion of data from other smart metering programmes, such as Marin County and Santa Cruz in the United States and OXXIO in the Netherlands, may aid anticipation of likely consumer concerns. Early recognition of the issues discussed in Section 3.3, together with an assessment of consumer reluctance to accept a smart meter, would be helpful in assessing the projected pace of mass roll-out and the likely proportion of remaining traditional meters to be supported. Ensuring a sustainable service remains available for traditional meters as mass roll-out progresses will be needed to underpin consumer confidence.

Chapter Four – Delivering Consumer Engagement

We recognise the value of a centralised engagement programme and delivery board (CDB), and can understand how this could provide greater opportunity to shape and deliver consistency. We note DECC's comment that consumers' experience of installation will be critically important in the acceptance of smart. As such, involvement of meter asset managers (MAMs), who will have direct interaction with end-consumers, could assist in supporting continuity of message. A centralised engagement approach may offer opportunities to maximise interoperability of process, whilst ensuring appropriate balance between stakeholders. It would seem sensible to involve both smart and traditional metering parties in providing expertise to the CDB. The facility should exist for interested or expert parties to provide input (such as NGM's Holistic Asset Management approach to inform on end of life and exchange prioritisation) and advice on a consultative basis as and when required to do so. Such an approach could support DECC's stated intentions of ensuring independence in direction of the CDB and providing external advisory input.

A relationship between smaller suppliers and the central delivery mechanism is essential, particularly during periods to which exemptions apply. Ensuring interoperability is maintained and the consumer experience remains positive will be better achieved by including all suppliers. Contribution to the central delivery mechanism could also be achieved by utilising a similar approach as outlined above in providing input to the CDB.

Centralisation offers a greater ability to aggregate data to analyse the success of the programme against the stated aims and objectives. Although demonstration of material savings will remain difficult to assess until sufficient critical mass exists, centralisation may enable more prompt analysis of issues identified and progress against objectives. Whilst sharing roll-out plans with the CDB may be useful for targeting communication and timing media engagement, we can understand why suppliers may not wish to provide visibility of potentially market-sensitive material. The likelihood that these plans may be subject to change, or at least frequent update, may also incur cost in maintaining these centrally.

The decision to mandate smart meters for both domestic and non-domestic U6 installations has the potential to create disparity for non-domestic sole traders or micro-businesses. A lack of clarity regarding data transmission arrangements still remains. For this sector, an In Home Display (IHD) unit may not be available, they may not utilise the DCC for data management and the same opportunities to reduce or improve consumption management may not be possible. A simpler approach might be to align this group to requirements as set out for domestic consumers, including the introduction of an IHD and a requirement to

interact with DCC. Alternatively, allowing a degree of choice over the nature of meter installed in smaller non-domestic sites may be more appropriate and facilitate clearer engagement with consumers regarding benefits and functionality available to them.

Chapter Five – The Non-Domestic Sector

We view the non-domestic energy sector as being highly competitive, with advanced metering, remote meter reading equipment, datalogging and energy management solutions well established in the market. Current exemptions concerning advanced meters and remote reading devices, such that they will not require exchange for a smart meter prior to the end of their natural life, will see competition continue in this sector. However, the requirement to install smart meters in sites consuming below 732 MWh p/a creates differing issues for micro-businesses and sole trader sites. We can see that information on current smart metering capabilities and possible benefits could be welcomed. Extending the proposed central delivery arrangements to micro-businesses may offer a more cohesive engagement strategy to all consumers mandated to transition to a smart meter.

In summary, we recognise the benefit of a centralised consumer engagement delivery mechanism, supported by a robust monitoring and evaluation process. We understand the value in addressing consumer concerns regarding health and privacy early in the engagement process, along with building confidence in new technologies. We would encourage greater focus on non-domestic micro-businesses to ensure this sector is appropriately advised. We feel it is appropriate to ensure a diverse input to the Expert Panel and to recognise the role of traditional meter management in supporting transition.

Please do contact me if you have any questions regarding this response.

Yours faithfully,

By e-mail

National Grid Metering
