



## **Smart Metering Implementation Programme**

### **Haven Power Response to DECC Consultation URN 11/D/837**

#### **Licence conditions for a Code of practice for the installation of smart electricity and gas meters: a consultation**

##### **1. Are the Overall Objectives set out in the draft licence conditions appropriate?**

The overall objectives are adequately detailed in the draft licence conditions. Mandating a Code of Practice ensures that the standard of the end to end smart meter installation experience is maintained across the market place. We believe however, that the objectives should expand to ban marketing activities from installations across all Micro Business premises. Many of these businesses need the same level of protection from unscrupulous sales and marketing, at a time of uncertainty and change, as a domestic customer.

##### **2. Would the Licence conditions as drafted effectively underpin:**

- a) the intended roles of Ofgem and suppliers in establishing and reviewing Code(s) of Practice for domestic and micro-business sites?**
- b) an appropriate on-going governance regime for the Code(s) of Practice?**
- c) the intended arrangements for monitoring and compliance with Code(s)?**

It is important to distinguish between the domestic and non-domestic sectors within the licence conditions. In their current form the licence conditions effectively underpin the intended roles of suppliers and Ofgem in the production and maintenance of the Code of Practice. Due to their relevant experience with dealing with the customer side of an installation, suppliers are best placed to develop the code. The licence conditions as drafted correctly place the emphasis on the supplier, they also recognise the importance of having a Code of Practice in place and by allowing for a code to be designated by Ofgem and the licence conditions ensure that this will be the case.

The provision for the on-going governance needs to be considered carefully. It is important that there is some scope for changing the Code of Practice as things change throughout the installation process; however, the changes need to be kept to a minimum and only to those that will truly benefit the consumer. Smaller suppliers rely on a number of independent meter operators, and constant changes to the code would require working with each agent to ensure that these changes are possible and in turn implemented. These changes could also impact on the availability of smart meter fitting services and any change should be carefully considered by Ofgem and where this could be the result, the change should not be adopted.

##### **3. Should the licence conditions underpinning a domestic Code also be applied to smart-type meters, or should the Government work with suppliers to secure voluntary application of Code provisions?**

We believe the code should apply equally to smart-type meters. In order to realise the benefits of smart metering, it is important that the consumer is fully engaged. Consumer engagement can begin and end with a bad installation experience and therefore it is important that good practices are promoted across the industry, whether the installation is of a smart or a smart type meter.

In order to follow the installation Code of Practice, fundamental changes are going to have to be made to internal processes. It is unlikely that suppliers will maintain different processes for Smart and smart type meters; this will result in the majority of suppliers adopting the customer focussed side of the Code of Practice. There is some uncertainty about when the switch from smart type to smart meters will take place and this period is likely to be the most important in terms of engaging the consumer. These means that customer protection should be of paramount importance throughout this period and the licence conditions should apply equally to smart type and smart meters.

**4. Do you agree with our definition of sales and marketing?**

No. The definition, as it stands would allow the installing supplier, with the agreement of the customer, to promote or sell energy supply products. These are activities that should be explicitly excluded from the installation visit. We also believe that the definition should be extended to ban remote telephone contact of a sales nature during or shortly before/after a smart meter installation. At this point in time, there is simply too much scope for customers to misunderstand sales communications and should therefore be banned from these periods. Further to this the definition of marketing should be expanded to include a ban on leaving printed sales and marketing material behind following the installation. At this time, due to its formal connection with the meter provision, there is a risk that the customer will regard this as an instruction.

**5. Do you agree that prior written consent should be required for any face-to-face marketing or sales activity during the installation visit?**

We are concerned that the installation visit could be taken by suppliers as a prime opportunity to persuade or imply to customers, at a time when they are likely to be in an uncertain frame of mind, that the benefits from the smart metering will only apply whilst they remain the energy supplier. There is also the possibility of the overselling of equipment and services associated with energy efficiency and it would be appropriate to prohibit such activity until the smart metering services have been active for a defined minimum period of time at which point the customer would be better informed to make purchasing decisions.

Our preference, however, would be to completely prohibit all sales and marketing during the installation visit. If that is not possible then, as a minimum, the licence conditions should forbid any sales or marketing relating to energy supply contracts whether or not prior permission has been agreed.

**6. Are any other measures required to protect consumers' interests in relation to sales and marketing during the installation visit?**

Given our concerns over the potential to miss-sell energy efficiency goods or services and the danger that competition would be harmed by suppliers implying that said goods or services will only be available from them as the supplier, we believe that the self-certifying compliance conditions in CC13 and 14 are insufficient. We believe that much stronger measures are warranted, for example the Authority could carry out post installation follow up checks on a representative sample and vigorously pursue cases of non-compliance.

In addition to the above, if the customer is required a document of installation, which would be appropriate to confirm instruction, this document should not at any time have sales and marketing connotations to imply aspects of the smart meter functionality is tied to the installing supplier.

**7. Would the licence conditions as drafted and/or existing rules deliver the policy intentions on customer information and advice, vulnerable consumers, avoiding undue inconvenience and complaint-handling?**

Although the licence conditions effectively underpin the policy intentions, we are concerned that the licence conditions may imply that installation outside of business hours is the norm for micro-business customers. We would like further clarity in the licence conditions to recognise that installation in normal working hours would be the standard. This will allow suppliers to keep the costs of installation down and will also ensure that the programmes deadline for smart meter installation is kept.

**8. Do you agree that, for the purposes of the non-domestic code, the sites to be covered should be defined as a business with no more than 10 employees or their full time equivalent, an annual turnover that does not exceed 2 million, or consumes less than 50 MWh of electricity a year or less than 200MWh of gas a year?**

We have consistently stated that the non-energy measures in the micro-business definition are impractical; an energy supplier does not have access to the employee count or annual turnover on a consistent and dependable basis. In practice, since we support the good practice objectives set out in condition DD, we are inclined to define a single installation code which would be applicable to all our business customers requiring a smart meter.

**9. Would the licence conditions as drafted effectively underpin the policy intentions with respect to non-domestic consumers on customer information and advice and undue inconvenience?**



The licence conditions as drafted do underpin the policy intentions on customer information and undue inconvenience. However, further clarity surrounding the method that the customer information is provided is required. The emphasis in the domestic sector is on advice and a demonstration of the IHD being provided during the installation visit this, however, would be unwise in the non-domestic sector. This requirement has the potential for causing undue inconvenience by taking up more time and resource than an installation visit alone.