

By e-mail

Smart Metering Implementation
Programme
Department of Energy & Climate Change
1 Victoria Street
London, SW1H 0ET

Your ref

Our Ref

Date

18th May 2015

Contact / Extension

Dear Colleague

A Consultation on Smart Metering Rollout Strategy

I am writing on behalf of SP Energy Networks in response to the above consultation paper issued on 24th March 2015. We welcome the opportunity to comment on the points raised.

We would draw your attention to our on-going concern about the deployment of SMETS1 meters.

I hope that this response is helpful, but please contact me if there are any queries

Yours sincerely

Fiona Fulton

SP Energy Networks

A Consultation on Smart Meter Rollout Strategy
Detailed comments by SP Energy Networks, May 2015

Question 1: Do you agree with the minded to position to set a de-Minimis obligation for all large suppliers to install, commission and enrol 1,500 SMETS 2 meters or 0.025% of total meter points (whichever is the lower) within six months of DCC Live? Please explain your rationale and provide evidence.

We agree with the premise of setting a minimum SMETS2 installation criteria for large suppliers. However, we would suggest that the figure stated is an extremely low target. DNO have set targets for smart meter benefits within the RIIO-ED1 timeframe, and indeed DECC also have targets for benefits within their Impact Assessment. These are already impacted by programme delays but will be further impacted by the continued installation of SMETS1 meters which are not visible to DNO or have equivalent functionality.

Question 2: Do you agree that given the importance of consumers continuing to receive smart metering benefits upon change of supplier, all suppliers should be Users at DCC Live plus 12 months? Please provide evidence to support your position.

We support the position of all suppliers becoming DCC users as soon as possible for the reasons stated in Question 1 i.e. visibility of smart meters and ability to obtain benefits, in addition to conformity of consumer experience.

Question 3: Do you agree that given the importance of consumers continuing to receive smart metering benefits upon change of supplier, all suppliers should be Users at DCC Live plus 12 months? Please provide evidence to support your position.

We fully support this position. DNOs are extremely concerned that consumers will be confused by a complex and inconsistent smart metering service. This may, for example, lead consumers to conclude that they no longer need to report a power outage as they incorrectly believe they have a fully functioning smart meter.

Question 4: Do you agree that electricity DNOs should be mandated to be DCC Users from DCC Live? Please provide evidence to support your position.

SPEN have no objection to this mandate, but also sees no requirement to mandate DNOs to become DCC users. DNOs have always planned to meet the DCC Live milestone. We do not believe that a mandate will alleviate the concerns we have raised about the degradation and uncertainty surrounding network operator related meter and DCC functionality.

Question 5: Would a direction from the Secretary of State, focused on electricity DNOs only, to be ready for Interface Testing provide additional impetus to be ready for DCC Live?

As above, we believe the DNO have stated their intention to be ready for DCC Live and further direction would have little impact. SPEN have procured systems and services to meet the DCC Live milestone.

Question 6: Please provide views on whether iDNOs should be mandated to become DCC Users from DCC Live plus 12 months. Please provide evidence to support your position.

We support this position from the point of view of achieving consistency of service to the consumer across all network operators as discussed in question 3.

Question 9: Do you agree that 'Install and Leave' should be permitted where expected WAN coverage is not available; but only in cases where HAN is established? Please explain your rationale.

SPEN believe that the above approach would provide the best consumer experience. However, as discussed in Question 3, we would require that consumers receive a clear explanation that not only will their billing information not be known but also that power outages would have to be reported in the traditional way i.e. by phone.

Question 10: Do you think there are grounds for the Government enabling "proactive" Install and Leave and would your organisation use it as part of their rollout strategy? Please explain how you would mitigate the potential challenges to consumer experience.

SPEN would not support this approach unless there was a mechanism in place to provide us with accurate information on where active smart meters would be deployed. With current supplier rollout information we already have no visibility of SMETS1 versus SMETS2 deployment and this could further dilute our ability to plan for the use of smart meter information. We have concerns that this approach could further delay the effective rollout of smart meters from a DNO perspective i.e. reduce the number of smart meters visible to us.

Question 14: Do you agree with the proposal to set a SMETS1 end date of DCC Live plus 12 months? Please provide evidence for your answer.

As per Question 1, we are concerned that the continued deployment of SMETS1 meters into July 2017 will affect our ability to generate benefits from smart meters during ED1. We would not support this approach without a cap on SMETS1 meters deployed. As the de-minimis proposals currently stand we may potentially have visibility of only around 10,000 SMETS2 meters by July 2017. This would be unacceptable as it would make it impossible for us to achieve the benefits expected within the RII0-ED1 price control period.

Question 15: What are the advantages and disadvantages of a SMETS1 'cap' on individual suppliers both in combination with an End Date and as the sole means that SMETS1 meter installations are regulated? How could such regulation best be designed? Please provide evidence for your answer

See Question 14.

