

Which?,
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Response by:

Consultation Response

Smart Metering Implementation Programme
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Which? response to DECC consultation on Smart Metering Rollout Strategy

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Summary of our response

The consultation is welcome but fails to do enough to address outstanding issues

This consultation addresses some fundamental decisions which are long overdue given that the official roll-out begins next year. These include setting an end date beyond which SMETS 1 (early specification) meters will no longer count towards rollout targets.

However, Which? recommends that the new government go further in certain areas. For example, the proposed SMETS1 end date is not early enough and suppliers are required to install too few SMETS2 (fuller specification) meters in the early months of the rollout.

Only now is consideration being given to how and when SMETS1 meters will be enrolled into the Data and Communications Company (DCC) system. Only with DCC enrolment can it be guaranteed that the smart meter will continue to be operated in smart mode where the customer switches energy supplier. Without enrolment, consumers could even be discouraged from switching. But there is still no commitment to DCC enrolment and it will not happen until at least 2017, if at all - despite these meters being allowed to count towards suppliers' rollout targets.

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The consultation lacks any cost data and any apparent assessment of costs

Despite the potential cost implications of many of the issues addressed in the consultation, it contains no cost estimates. This is concerning given that the programme is already expected to cost £10.9 billion - paid for by consumers - and is classified by DECC as 'high risk'.¹

We are also concerned that there is no accompanying Impact Assessment for these proposals meaning a complete absence of a cost-benefit analysis. This should be addressed to ensure that the costs for consumers are as low as possible.

Driving early installation of SMETS 2 meters is welcome but the proposed 'de minimis' is too low

SMETS2 meters have greater interoperability and functionality than SMETS1 meters. Where a customer with a SMETS1 meter switches energy supplier, the new supplier may only be able to operate it as a 'dumb' meter. The consumer loses key benefits of the smart meter even though consumers have footed the bill for this smart meter to be installed. And an uncertain proportion of these meters will then need to be replaced before 2020, meaning more disruption and additional programme cost.

Requiring only 1,500 SMETS2 meters per supplier in the first 6 months after DCC Live is too few. By contrast, 143,000 SMETS1 smart meters were installed in Q4 2014 alone, before the official rollout has even started. Such a low SMETS2 requirement will mean that even more SMETS1 meters are installed, storing up more problems for the future.

The SMETS2 'de minimis' obligation should therefore be increased. To drive ambition, it should be set at a level approaching the delivery capability of suppliers and the DCC systems, making allowance for system stability. To have full effect, it should extend beyond the first 6 months, up to the SMETS1 'end date'.

All suppliers should be mandated to be DCC users as soon as is practical

Obliging suppliers to be DCC users is necessary for the installation of SMETS2 meters and to ensure that where a SMETS2 meter customer switches energy supplier they can still benefit from remote meter reads.

However, the consultation proposes that suppliers should only be required to become DCC users from DCC Live plus 12 months. In practice, larger suppliers would become DCC users from at least DCC Live plus 6 months but this is still too late. DCC Live could be meaningless for consumers and consumers with smart meters could be dis-incentivised from switching to small suppliers.

Unless there are major practical constraints or cost implications, all suppliers should be mandated from DCC Live, with a short grace period for small suppliers if absolutely necessary.

To ensure a good consumer experience, suppliers should only be permitted to 'install and leave' without a Wide Area Network (WAN) connection under much tighter conditions

¹ Update on preparations for Smart Metering, report by the National Audit Office, June 2014.



'Install and leave', where the expected WAN connection is absent, should only be permitted with a guarantee of quick re-establishment of the connection.

Under the proposals, WAN connectivity would 'usually' be re-established 'within 90 days'. This is too long a period for the new smart meter customer to be without the key benefits of automated readings and accurate bills. The onus should be on the supplier and the DCC to guarantee establishment more swiftly.

There is an argument for earlier introduction of the 'New and Replacement Obligation' (NRO) and DECC must assess the costs and benefits of this

Which? agrees with the principle of requiring end-of-life traditional meters to be replaced by smart meters. But, with the start of the rollout only a year away, the government has still not even taken the decision as to when the obligation should be 'switched on'. It now proposes to bring in the obligation only from mid-2018.

This means that a traditional meter could be replaced with another traditional meter and would have to be replaced again with a smart meter within 18 months. The government should conduct and publish the necessary cost-benefit analysis to determine whether an earlier NRO would be more cost-effective.

Suppliers should be permitted exclusions from the NRO, such as where communications solutions are still not available for flats and high-rises. This should be facilitated by early introduction by Ofgem of guidance on 'all reasonable steps' for suppliers.

There is an argument for an earlier SMETS1 'end date' and DECC must assess the costs and benefits of this

SMETS1 meters offer reduced interoperability and functionality which poses particular problems when consumers want to switch supplier as the meter may not work on another supplier's systems. Which? therefore supports an early SMETS1 end date.

764,806 SMETS1 meters have already been installed. A SMETS1 end date of DCC Live plus 12 months could result in at least 1.5 - 2 million being installed, more if the current rate of activity increases. This means that significant numbers of consumers could be hindered from switching energy supplier or, if they do switch supplier, face the disruption of having their smart meter replaced again.

Which? therefore questions why the end date cannot be earlier. The more SMETS1 meters that are installed, the more problems are being stored up for the future and there has been plenty of time to prepare for this. The Government took the decision to allow SMETS1 meters to count towards roll-out targets back in 2012.

Enrolment of SMETS1 meters into DCC is essential, but the process has not even started

Only with DCC enrolment will interoperability issues be resolved. The gaining energy supplier will be able to take remote readings because the meter will communicate on the DCC system.

But the government has not even taken the decision yet to enrol these meters. It has only now commenced the 'feasibility report process'. Enrolment of SMETS1 meters will not happen until at least 2017, if at all.

There must be an urgent commitment to enrol SMETS1 meters into the DCC at the earliest practical opportunity.

These issues underline the need for a full review of the programme to ensure maximum value for money for consumers

It is clear that there remain many outstanding issues. A much greater sense of urgency is required to resolve them together with a more strategic approach than the piecemeal approach taken to date.

Which? therefore recommends that the new government conducts an immediate review of the smart meter programme. The review would aim to ensure maximum value for money for consumers and should include the following:

- 1) Update the Impact Assessment - last updated in January 2014. This should include an assessment of whether energy suppliers are realising the cost savings expected.
- 2) Produce a roadmap to achieve the right balance between SMETS1 and SMETS2 meters. It would include forecasts of projected installation numbers, with timelines and costs, and a clear picture of how many will need to be replaced before 2020.
- 3) Clarify when the official rollout is to start. DECC has indicated April 2016 as DCC Live but with six months contingency². Confirmation would help plan the consumer communications required and the implications of DCC Live for consumers.
- 4) Assess whether to retain the 2020 end date. The question is whether it is still the most cost-effective outcome, given the further delays to the programme and the many issues outstanding, to aim for smart meters to be offered to 100% of homes by 2020. Any delay would need to be based on an assessment of the relative net benefits.
- 5) Investigate all feasible means of reducing costs and promoting efficiency, whilst maintaining the benefits. Which? supports the centralised co-ordination of installation of communications infrastructure in multi-occupancy buildings, examining the case for centralised procurement of meters, and an early definition of 'all reasonable steps' to help ensure cost certainty.
- 6) Put in place a stronger mechanism to control costs. The previous government said that it expected competition in the market to do this. Given the Competition and Market Authority's market investigation and low levels of consumer engagement, Which? considers this unlikely. Which? has proposed a new licence condition for suppliers to

² House of Commons: Written Statement (HCWS345), made by: Secretary of State Ed Davey on 05 Mar 2015.
<http://www.parliament.uk/documents/commons-vote-office/March%202015/5%20March/7-DECC-Smart-Metering.pdf>

deliver the smart meter programme cost-effectively, including a new enforcement power for Ofgem to parachute in a 'skilled person' to get costs back on track³.

- 7) Strengthen the requirements for reporting of costs and benefits. Which? recommends reporting by energy suppliers of the costs, savings and bill impact passed on to their customers, together with publication of smart meter costs in suppliers' audited consolidated segmental statements.

Responses to the questions

Driving SMETS2 Installations

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?

No. Which? agrees with the objective but the level proposed is too low.

SMETS2⁴ meters offer greater interoperability and functionality than SMETS 1 meters:

- Interoperability - SMETS2 metering equipment is fully interoperable. But interoperability of SMETS1 meters is not assured, meaning that where the customer changes supplier the new supplier might have to operate the smart meter as a dumb meter or else replace it: see Question 14. The consequences would include additional disruption for the consumer and potentially higher costs for the programme costs overall - paid for by the consumer.
- Functionality - unlike SMETS 2 meters, SMETS1 meters do not offer the customer an alert when a power cut occurs and offer less data to facilitate smart grids.

For these reasons it is important to prioritise the early installation of SMETS2 meters. However, the government is planning to require that suppliers only install 1,500 meters each, or 0.025 of their total meter points if lower. This is too few. By comparison⁵, 143,000 SMETS1 smart meters were installed in homes in the fourth quarter of 2014 alone, before the official rollout has even started.

With only SMETS1 meters currently being installed, such a low SMETS2 minimum means that SMETS1 meters could continue to make up the vast majority of installations even after DCC

³ Cost control of the smart meter rollout, Which? Briefing, December 2015 at <http://www.staticwhich.co.uk/documents/pdf/cost-control-of-the-smart-meter-roll-out---which-briefing-december-2014-396035.pdf>

⁴ SMETS stands for Smart Metering Equipment Technical Specifications. There are currently two versions, SMETS1 meters which are being installed in the foundation stage and work on the suppliers' own systems, and SMETS2 meters which will work on the centralised systems of the Data and Communications Company when those are up and running.

⁵ Source: *Smart Meters, Great Britain, Quarterly Report to end December 2014*, DECC statistical release 19 March 2015.

Live. Already, as many as 764,806 SMETS1 meters have already been installed⁶. There is considerable uncertainty over the final total but it could be at least 1.5 -2 million⁷, possibly even far more. This is a significant number of meters that are not fully interoperable.

Which? therefore considers that a higher SMETS2 'de minimis' be set. And to have full effect, it should extend past six months beyond 'DCC Live' to the date when SMETS1 meters no longer count towards rollout targets (the SMETS1 'end date', see Question 14). The 'de minimis' should aim to drive ambition and be set at levels approaching:

- i. the maximum reasonable capability of the DCC systems - but not so high as to prejudice system stability and security, and
- ii. the maximum delivery capability of the large energy suppliers.

It is not possible for Which? to judge what the number should be in the absence of evidence in this consultation on practicalities and cost: the various options must be fully costed. However, it seems reasonable to expect suppliers to be ready and able to install SMETS2 meters at decent scale from DCC Live, which is supposed to signal the start of the rollout. The suppliers and the DCC have had several years to prepare for the rollout of SMETS2 meters. The 'go live' date for the DCC has already been delayed twice.

Alongside these 'de minimis' levels, Which? advocates an alternative approach of mandating parties to become early users of the DCC (Question 2) and setting an earlier end date for SMETS1 meters (Question 14). Together these conditions should provide a stronger incentive to suppliers to progress quickly with installing SMETS2 meters.

Mandating parties to become DCC Users

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?

No. Which? agrees that all suppliers should be obliged to become DCC users but the objective should be for this to happen from DCC Live.

It is important for suppliers to be DCC Users for two reasons:

1. SMETS2 meters operate on the DCC system therefore can only be installed by suppliers who are DCC users.
2. A smart customer switching energy supplier can only continue to receive key benefits of a SMETS2 meter, such as accurate bills, where the gaining supplier is also a DCC user. Where this is not the case the consumer loses out on important benefits: accurate billing was the most common reason for consumers agreeing to, or deciding to, have a smart meter installed.⁸

⁶ As at December 2014. *Smart Meters, Great Britain, Quarterly Report to end December 2014*, DECC statistical release 19 March 2015.

⁷ This assumes the level of SMETS1 installation activity in the last quarter for which statistics are available, Q4 2014, continues until DCC Live.

⁸ This excludes situations where the energy supplier told the customer that their meter had to be replaced/ had come to the end of its life. Quantitative face-to-face survey by Ipsos Mori for DECC. Interviews took place between 4th October 2013 and 1st

Which? therefore agrees with the proposal to replace the current expectation on (large) suppliers with an obligation to become a DCC User. However, it is only proposed that suppliers should be mandated to become DCC users from 12 months after DCC Live. This is too late. It could be that no suppliers, even large suppliers, are DCC Users at DCC Live, in which case no 'official' i.e. SMETS2 meters will be installed then. In effect, DCC Live would have no benefit for consumers, and might only create confusion, and the roll-out would be further delayed.

Because of the early 'de minimis' for SMETS2 (Question 1), DECC does expect that *large* suppliers will be DCC users within 6 months of DCC live. Which? considers that this should therefore be formalised as an obligation, at the very least. However, even an obligation at 6 months has the disadvantage of further delay. Also, it is clearly desirable for *all* suppliers to be obliged to become DCC Users from DCC Live in order to avoid two consequences:

1. Consumers with smart meters could be disincentivised from switching to small suppliers, which is an important element of effective competition in the energy retail market.
2. Communications for consumers become difficult and confusing if only some suppliers from DCC Live can install (SMETS2) smart meters or accept smart meters when a consumer switches to them, with others doing so later, but at different dates.

The consultation suggests that small suppliers may not be ready and that even large suppliers would still need to carry out 'interface testing'. But the consultation does not explain this lack of readiness. Nor does it present evidence on the cost impacts for an earlier obligation, particularly the cost implications for small suppliers.

Unless there are cost grounds or practical constraints, Which? considers that the objective should be to mandate all suppliers from DCC Live.

If it is absolutely essential that small suppliers be given more time, this should be limited to a short 'grace period', say 6 months, which would need to balance the benefits to consumers with the cost implications for small suppliers.

No response to Question 3 as it is the same as Question 2.

No response to Questions 4 to 8 regarding distribution network operators and gas networks.

'Install and Leave' without WAN communications connection

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?

Yes, but only under much tighter conditions and subject to much shorter timescales.

Which? has concerns with permitting installations where the expected WAN connection is not available, particularly when the consultation does not set out any commitments or conditions to guarantee re-establishment of WAN connectivity and within a short period. It states only that WAN connectivity would ‘usually’ be re-established ‘within 90 days’.

We understand that 90 days is the DCC’s deadline for re-establishing WAN connection under its service level agreement with suppliers. However, this is a very long period for consumers to be without the key benefits of automated readings for accurate bills. It is especially damaging for the new smart meter customer to be without WAN coverage immediately following installation because this could dampen any initial consumer interest.

Which? accepts that aborted visits are costly and undesirable from the perspective of the consumer and the supplier. However, it is not clear from the consultation why expected WAN coverage would not be available and how these situations could be avoided. The emphasis should be reducing the incidence of these situations. Again, the cost implications of the various options must be assessed and spelt out.

Which? recommends that the following conditions should be placed around when a supplier can ‘install and leave’:

1. The DCC and suppliers must be able to ensure that all meters will, in practice, be able to reconnect *automatically* to DCC systems when WAN coverage is restored, i.e. without the need for another visit to the property.
2. There must be a commitment on the DCC and suppliers to provide WAN connectivity within a shorter period than 90 days. This would need to be informed by what is practical to overcome the barriers (unspecified in the consultation).
3. There must be an obligation on the supplier to inform the customer of the likely date of connection and keep the customer informed of progress.

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.

No. We agree strongly with the proposal that ‘proactive’ leave and install should not be permitted. As the consultation recognises, permitting this could mean some consumers being without full smart services for a number of years. This would be a highly unsatisfactory outcome for consumers.

Question 11: Do you agree that the Government’s minded to position on ‘Install and Leave’ should apply to both SMETS1 and SMETS2 installations?

Yes. It is important that customers with SMETS1 meters have WAN coverage. Otherwise, for example, they will not be able to connect to the DCC after switching energy supplier and will therefore lose many of the benefits of the smart meter.

Therefore, so far as practical given existing SMETS1 contracts between suppliers and their communications service providers, the same ‘install and leave’ conditions should be imposed as for SMETS2 meters: see Question 9 above. There should be a collective responsibility,



across energy suppliers, the DCC and government to ensure that SMETS1 meter customers are not disadvantaged.

Question 12: Do you agree that the Government does not need to regulate to exclude operation of SMETS meters in Pre-Payment Meter (PPM) mode from the scope of its minded to policy position on 'Install and Leave'?

No. As the consultation recognises, energy suppliers have indicated to DECC that they will not 'install and leave' SMETS meters in PPM mode where WAN coverage is not available. This commitment is welcome as detriment for the PPM customer is greater than for a credit customer: without WAN coverage, remote readings will not be possible and the consumer will need to top up balances manually. And visits to the property will be needed to reconcile balances and perform tariff updates. To protect consumers, this stated commitment should be enshrined in regulation.

Requiring suppliers to replace end of life meters or meters in new homes

Question 13: Do you agree with the proposal to enact the New and Replacement Obligation (NRO) in mid- 2018?

No. Which? agrees that an NRO is needed but we consider that there is a strong argument that the NRO should be introduced earlier.

It is sensible to require that traditional meters reaching the end of their lives be replaced by smart meters. Otherwise, traditional meters might be installed when they would only need to be replaced again before December 2020. This would appear to be inefficient and costly. With the start of the rollout only a year away, it is surprising that the government has not already exercised its power to put an obligation in place. The government has still not even taken the decision as to when the obligation should be 'switched on'. Again, this shows a lack of forward planning on what is potentially a hugely significant issue given the high number of meters that require replacing every year - although the consultation does not provide any numbers.

The Government now proposes to bring in the obligation only from mid-2018 on the basis that:

- An earlier date might disrupt suppliers' rollout plans, forcing them to roll out where they are not ready to deploy in certain regions. And smaller suppliers are only expected to be DCC users from 12 months after DCC Live, i.e. April 2017 (Question 2);
- It needs to start after the SMETS1 end date (see Question 14) to ensure that SMETS2 meters are installed;
- It should happen after Home Area Network (HAN) communications solutions have become available, such as for flats and high-rises. Otherwise consumers in these types of properties will not be able to receive many of the benefits of smart meters.

This means that a traditional meter could still be replaced by another traditional meters until half-way into the rollout. It would have to be replaced again, with a smart meter this time, within 18 months. This is surely inefficient, wasteful and disruptive.

Which? considers that there must be a strong argument that the NRO should be introduced earlier on the grounds of cost and efficiency. However, these impacts are not assessed in the consultation and the Government should conduct a full cost-benefit analysis. This should include gathering of data from suppliers on how many traditional meters are likely to be installed and then replaced. Bringing in an earlier NRO should not impact adversely on those suppliers, such as British Gas⁹, who are already focussing on replacing end-of-life meters.

It would be necessary to ensure that only those people who can benefit from smart meters receive them. For example, communications solutions might not still be available for flats and high-rises and WAN coverage might not be available in some areas. Suppliers should be permitted to exclude these categories of customer from the NRO. To enable this, Ofgem should introduce early guidance for suppliers on 'all reasonable steps' that suppliers need to take¹⁰. This needs to be introduced well before the start of the official roll-out.

Finally, as the consultation recognises, it would make sense for the NRO to take effect at or after the SMETS1 end date, otherwise even more SMETS1 meters would be installed. This is another reason for an early SMETS1 end date (see Question 14 below).

Managing SMETS1 installations and enrolling SMETS1 meters into the DCC

Question 14: Do you agree with the proposal to set a SMETS1 end date of DCC Live plus 12 months?

No. We consider that the SMETS1 end date should be earlier and as soon as practical.

The disadvantages of SMETS1 meters compared to SMETS2

Which? agrees with the principle of setting an early end date i.e. a date beyond which new installations of SMETS1 meters will count towards roll-out targets. This is important because SMETS1 meters offer reduced interoperability and functionality compared to SMETS2 meters.

As regards interoperability, the SMETS1 specification does not define the HAN communication standard¹¹. This has serious disadvantages in certain situations:

1. Where the customer switches energy supplier, the new supplier may not be able to continue to operate the smart metering equipment as smart i.e. the consumer may no longer receive the full benefits such as remote meter readings¹². There is no obligation on the supplier to continue to provide this service¹³. SMETS1 meters will only continue

⁹ <http://www.britishgas.co.uk/smarter-living/control-energy/smart-meters/how-do-i-upgrade-to-a-smart-meter.html>

¹⁰ Which? has already recommended that early guidance is needed to enable suppliers to plan efficiently. See xx.

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/42953/6129-consultation-second-version-smets.pdf

¹² See Section 5 of the House of Commons Energy and Climate Change Committee report on *The Smart meter roll-out*, Fourth Report of Session 2013-14, July 2014.

¹³ Suppliers are not permitted to replace a smart meter with a 'standard' meter. But government decided against a licence condition requiring gaining suppliers to take all reasonable steps to operate their smart meters as smart meters. See https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225054/Foundation_Smart_MarketFINAL.pdf

to operate as smart if there are no technical interoperability barriers or if the gaining supplier is able to agree satisfactory rental terms with the previous supplier or their service providers. Otherwise, the new supplier will operate it as a 'dumb' meter or may wish to replace it with another smart meter (meaning additional programme cost). Some of these meters (those that are non-compliant but SMETS1 'capable') will need to be replaced before 2020, but there is considerable uncertainty over how many there will be. Clarity is urgently required on this and how much this will cost.

2. The smart meter may not be able to communicate with other equipment in the home that relies on its consumption and tariff data. For example, an upgraded In Home Display (IHD), a smart appliance or smart heating controls. The problems could arise where the SMETS1 consumer switches energy supplier, moves house or purchases (or is provided with) new devices.

Because SMETS1 meters do not need to be enrolled into the DCC (and will not need to be until at least 2017, see Question 15), these issues will continue for years.

As regards functionality, SMETS1 meters do not - unlike SMETS2 meters - offer the customer an alert when a power cut occurs and offer less data to facilitate smart grids.

This lower specification is therefore likely to result in loss of consumer benefits on switching of supplier, potential hindering of switching, increased consumer disruption and higher programme cost overall. Given the lack already of adequate competition in the market it is a major concern that the smart meter rollout could have the effect of discouraging consumers from switching energy supplier or hindering the switching process. Communications will also be challenging as it may not be apparent to consumers wanting to switch which suppliers can continue to operate their meter as a smart meter.

The impacts could be significant, given at least 1.5 - 2 million SMETS1 meters, maybe far more, could be installed (see Question 1). Again, there is an apparent lack of cost-benefit analysis. For example, given the disadvantages of SMETS1 meters, and the higher risk of ending up as 'stranded assets', they presumably incur higher rental costs. All such issues should be assessed and presented.

The proposed SMETS1 'end date' seems too late and needs to be more fully justified

Government proposes that the SMETS1 end date be set as DCC Live plus 12 months to enable a period of 'stabilisation and scale'. Which? accepts that some period of transition between SMETS1 and SMETS2 meters is needed, however it is not clear why as long as 12 months is required. After all, there has been plenty of time to prepare for this. The Government took the decision to allow SMETS1 meters to count towards roll-out targets back in 2012¹⁴.

When combined with a low SMETS2 'de minimis' (see Question 2), this end date is likely to result in a very high number of SMETS1 meters being installed. The more SMETS1 meters that continue to be installed, the greater the problems that are being stored up for the future.

Which? considers that those suppliers who have rolled out 'foundation stage' meters at scale, particularly British Gas and E.ON, have a particular responsibility here. They are presumably

¹⁴ When the Government published the first version of SMETS 1.



benefitting already from the lower operating costs that DECC has predicted from smart meters. It is unacceptable if customers switching away from them are unable to continue to enjoy the benefits of smart meters and, potentially, are even dissuaded from switching away. These suppliers should now therefore be prioritising their efforts on the installation of SMETS2 meters from DCC Live. And all suppliers need to help ensure that clear communications are in place for consumers on which suppliers accept smart meters as smart, and from when.

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?

Which? considers that a cap could help focus the mind of those suppliers who have installed SMETS1 meters in large numbers. As stated above, we believe that they have a particular responsibility to help switch momentum towards SMETS1 meters. However, as emphasised in our response to Question 14, the key point is to ensure an early SMETS1 end date. A SMETS1 cap would therefore have to be combined with an end date.

Additional comments on the vital issue of SMETS1 enrolment into the DCC

It is a major omission that there is no consultation question on the enrolment and adoption of SMETS1 meters into the DCC. Only with DCC enrolment will full interoperability be achieved. Only enrolment guarantees that the gaining energy supplier will be able to take remote readings because the meter will communicate using the DCC system. Enrolment will therefore significantly reduce the risk of meter asset 'stranding' on change of energy supplier, i.e. of consumers being stuck with smart meters operating in 'dumb' mode or having to have their meter replaced again.

Yet the government is not proposing any actions at this stage. The government has not even taken the decision yet to enrol these meters and has only now commenced the 'feasibility report process' by issuing a direction to the DCC. The DCC will then report to the Secretary of State who will decide whether an enrolment option is appropriate. The DCC does not anticipate submitting its report to the DCC until 'around the third quarter of 2016'. Enrolment of SMETS1 meters will not therefore happen until at least 2017, if at all.

Given that DECC decided back in 2012 to allow SMETS1 meters to count towards roll-out targets, Which? considers that there must be an urgent commitment to enrol SMETS1 meters into the DCC at the earliest practical opportunity.

Which? May 2015