

# **Citizens Advice response to BEIS' consultation on the final SMETS1 and advanced meter exception end date**



August 2018

# Response

Citizens Advice welcomes the opportunity to respond to this consultation on a further extension of the SMETS1 end-date. As we have consistently noted in our responses to previous proposed extensions of the SMETS1 end-date in 2017<sup>1</sup> and 2015<sup>2</sup> we believe that SMETS2 meters offer a superior consumer experience to SMETS1 meters and that as few SMETS1 meters should be installed in consumer homes as is possible for this reason. As such we support the sentiment expressed in paragraph 5 of the consultation document that: “A move by industry to only installing SMETS2 meters will...be in the overall best interests of consumers”.

The benefits of SMETS2 meters over SMETS1 meters for consumers of most significance to us are:

- The ability to retain smart functionality upon switch, this is the source of a significant number of contacts to the Citizens Advice Consumer Service
- The provision of ‘Last Gasp’ and ‘First Breath’ functionality which allows meters to communicate to networks when power is lost and comes back on, this allows improvements to outage response rates, particularly for vulnerable consumers and provides evidence necessary to make automatic payment of any compensation straight-forward
- HAN-Connected Auxiliary Load Control Switch (HCALCS) functionality which will in future enable better management of load via the smart meter infrastructure and allow proper integration with consumer products such as smart appliances and electric vehicles
- The ability of SMETS2 meters to work natively with the DCC and all services provided through it rather than needing to be enrolled and adopted at a future date to establish some benefits of DCC enrollment.

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[https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/-Citizens%20Advice%20Response%20to%20Consultation%20on%20the%20operational%20transition%20of%20smart%20meters,%20including%20draft%20legal%20text%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/-Citizens%20Advice%20Response%20to%20Consultation%20on%20the%20operational%20transition%20of%20smart%20meters,%20including%20draft%20legal%20text%20(1).pdf)

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[https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Citizens%20Advice%20Response%20to%20DECC%E2%80%99s%20%E2%80%9CConsultation%20on%20the%20Smart%20Metering%20Rollout%20Strategy%E2%80%9D%20\(1\).pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Citizens%20Advice%20Response%20to%20DECC%E2%80%99s%20%E2%80%9CConsultation%20on%20the%20Smart%20Metering%20Rollout%20Strategy%E2%80%9D%20(1).pdf)

Beyond these key benefits we are also aware of other differences between the specifications with the potential to impact consumer experience related to consistency of experience, security and access to third party services. Some suppliers have told us that SMETS2 also brings additional prepay functionality with regard to automated credit top-ups and related functionality.

We are aware that the enrollment and adoption of SMETS1 meters into the DCC should address the most notable issue with SMETS1 meters - the loss of smart functionality on switch - however it is our understanding that it will not bring the meters up to SMETS2 standards for other beneficial functionality such as 'Last Gasp' and 'First Breath' or HCALCS among others.

We are supportive of efforts to ensure that SMETS1 meters are enrolled and adopted into the DCC as this will help minimise inconvenience and frustration for those consumers who have a SMETS1 meter. However we are also aware that with the consultation process still ongoing timelines for this are as yet somewhat unclear and that not all consumers' meters will be successfully enrolled for either technical or policy reasons. As mentioned in our previous consultation response on this topic<sup>3</sup> we believe the government should outline these risks and what actions they plan to take to mitigate them.

We are disappointed that there has not yet been a successful transition to SMETS2 meters. However as the current SMETS2 solution cannot yet guarantee a good customer experience at the scale required, we accept the rationale for a limited extension of the SMETS1 end-date to December 5 2018, though if granted it should be made clear to suppliers that no further extensions will be provided to ensure that more SMETS1 meters than necessary are not procured from meter manufacturers.

We also appreciate that the development of solutions for SMETS2 prepayment meters has been more challenging and that prepayment customers are a customer group for whom it will be particularly important that smart services are consistent and reliable from the outset, particularly with regard to ensuring that credit top-ups are processed quickly and accurately. As such the proposal for additional time to be allocated to them is a reasonable one given the circumstances.

It should also be noted that a key driver of the significant installation rates of SMETS1 meters beyond what was originally planned has been energy suppliers' need to meet the required deadline of offering every home a smart meter by the end of 2020. Repeated delays to the infrastructure needed to support SMETS2 meters with no concurrent movement of the deadline has inevitably resulted in far more SMETS1 meters being installed in consumers' homes as suppliers seek to

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<https://www.citizensadvice.org.uk/about-us/policy/policy-research-topics/energy-policy-research-and-consultation-responses/energy-consultation-responses/citizens-advice-response-to-the-enrolment-of-smets1-meter-cohorts-with-the-dcc-consultation/>

ensure that their rollout plans can credibly meet the deadline. Even suppliers who had initially planned not to install any SMETS1 meters are now doing so. This uncertainty has made it harder for us to provide accurate information to consumers about when they can expect SMETS2 meters to be available and in turn harmed consumers' ability to make informed decisions about when they choose to accept and benefit from smart meters. The proposal for varied end-dates for credit and prepay SMETS1 meters will add to this uncertainty in the short term but, as noted above, ultimately represents the best course of action given the current status of SMETS2 prepayment solutions.

The issues surrounding SMETS1 meters and the incentivisation of energy suppliers to install more of them to meet the 2020 deadline informed our recent decision to publicly call for an extension of the roll out deadline to 2023<sup>4</sup>.

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[https://wearecitizensadvice.org.uk/why-were-calling-for-the-smart-meter-rollout-to-be-extended-to-2023-7a079d5684df?mc\\_cid=b442cfcffa&mc\\_eid=9aa105a85f](https://wearecitizensadvice.org.uk/why-were-calling-for-the-smart-meter-rollout-to-be-extended-to-2023-7a079d5684df?mc_cid=b442cfcffa&mc_eid=9aa105a85f)