

Citizens Advice Response to BEIS' Consultation on the Smart Energy Code and Licence Amendments - September 2016



Introduction

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination. Since 1 April 2014, Citizens Advice service took on the powers of Consumer Futures to become the statutory representative for energy consumers across Great Britain.

The service aims:

- To provide the advice people need for the problems they face
- To improve the policies and practices that affect people's lives.

The Citizens Advice service is a network of nearly 400 independent advice centres that provide free, impartial advice from more than 3,500 locations in England and Wales, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups. In 2012/13 the Citizens Advice service in England and Wales advised 2.3 million people on 6.6 million problems.

Since April 2012 we have also operated the Citizens Advice Consumer Service, formerly run as Consumer Direct by the OFT. This telephone helpline covers Great Britain and provides free, confidential and impartial advice on all consumer issues.

In the last four quarters Citizens Advice Bureaux have dealt with 84,000 enquiries about fuel debt, while hits to the energy section of our website doubled in October and November, the period during which suppliers announced their price increases last year. Calls to the Citizens Advice Consumer Helpline seeking advice about energy doubled in the same period.

Question Responses

Question 1: Do you agree that the legal drafting implements reactive I&L policy as proposed? Please provide a rationale for your views.

We have no comments on the legal drafting. Our substantive views are detailed in Question 2.

Question 2: Do you agree with the proposed approach for the implementation of proactive I&L for new connections and replacement meters? Please provide a rationale for your views.

Citizens Advice has several concerns regarding proactive install and leave policies, particularly when, as detailed in the consultation document, consumers will have to receive a second, later SMICoP installation visit and explanation of their smart metering equipment in order to be able to use and benefit from it. This is likely to become problematic where a consumer has changed supplier or moved out of the property in the interim. The proposed process would also risks greater difficulties for the regulator to effectively evaluate and audit how suppliers are ensuring that consumers receive the benefits of smart. It should be noted evidence is already amassing through contacts to the Citizens Advice Consumer Service that some energy suppliers already underplay crucial parts of a SMICoP installation, such as the offer of an IHD and the explanation of the smart metering system to the consumer even during a 'conventional' installation visit.

Predicating proactive I&L on DCC coverage forecasts in the event that any forecasts are not realised or change.

A stronger rationale for the proposed changes would be appreciated, particularly with regard to the issue of not establishing a HAN unless the WAN is already established (section 26) as even an isolated HAN will provide the consumer with some benefits, including the ability to use an IHD to see how much energy they are using and connect smart home equipment or devices.

Under reactive install and leave we would favour clear requirements on suppliers around their course of action when they are not able to provide a fully functioning smart meter within 90 days. This could include additional steps to resolve the problem and communicate with the consumer.

Question 3: Do you agree that the legal drafting implements proactive I&L policy as proposed? Please provide a rationale for your views.

We have no comments on the legal drafting. Our substantive views are detailed in Question 4.

Question 4: Do you agree that the proposed legal drafting accurately reflects our policy intention on maintenance and replacement of smart metering systems? Please provide a rationale for your views.

We are supportive of this change to help ensure interoperability and interchangeability of smart metering equipment and the ability for suppliers to install more up-to-date equipment in homes.

Question 5: Do you agree with the legal drafting of the proposed amendment to the electricity supply licence condition 50 regarding change of suppliers? Please provide a rationale for your views.

We agree with the principle that where duplication of the D0150 data flow can be avoided it should be so long as all necessary data is recorded accurately and shared appropriately.

Question 6: Do you agree with the proposal and associated legal drafting to introduce additional requirements to provide for appropriate testing when the Secretary of State proposes to introduce amendments to the SEC? Please provide a rationale for your views.

We agree that these are reasonable steps to take.

Question 7: Do you agree with the proposal and associated legal drafting (amendments to Section D) to clarify when and how testing requirements should be considered, for SEC Modification Proposals? Please provide a rationale for your views.

We have no objection in principle to the plan to require SEC to include whether testing will be required to support modifications' implementation, as long as appropriate expert support within SECAS is available to advise modification proposers as to whether this is likely to be the case.

However, we are concerned that this makes further parts of the modification process dependent on DCC activity (specifically, the DCC providing further Working Group initiated analysis of testing requirements). There have been ongoing delays in the SEC modification process due to the DCC's late delivery of impact

assessments. Modifications that require system changes have now been delayed by at least a year and the first date for implementation is expected to be February 2018. This includes several modifications that would improve the consumer experience, such as functionality to show tariff labels on IHDs.

We would invite BEIS and the DCC to consider how they will ensure similar problems do not occur by introducing this additional DCC-contingent step.

Question 8: Do you agree with the proposal and associated legal drafting to provide enduring RDP Entry Process Tests? Please provide a rationale for your views.

Nil comment

Question 9: Do you think that is appropriate that new Electricity Distribution Licensee or Gas Transportation Licensee holders, who opt to use the services of an existing RDP (which has already successfully completed RDP Entry Process Tests) be permitted to use this testing service? Please provide a rationale for your views.

We support BEIS's intention to close the potential loophole that would allow new DNOs', IDNOs' or GTs' appointed Registration Data Providers to send data using the DCC's systems without proper End-To-End testing being in place. All new RDPs should be required to undergo adequate testing before undertaking their contracted data provision services for networks. We also agree that networks should have the right to use the bespoke test facility this change will require.

Question 10: Do you agree with the proposal and associated legal drafting to provide DCC with the ability to require a Testing Participant to remove its Devices from a DCC test laboratory, in accordance with the requirements set out in the ETAD? Please provide a rationale for your views.

Nil Comment

Question 11: Do you agree with the proposal and associated legal drafting to clarify the requirements around Test Communications Hubs? Please provide a rationale for your views.

Nil Comment

Question 12: Do you agree with the proposed changes and legal drafting in relation to Section N? Please provide any rationale.

The delays to the DCC have also impacted the timeframes of its analysis regarding the enrollment and adoption of SMETS1 meters. In the absence of any analysis it is

difficult to predict whether further information will be needed or not. Granting the Secretary of State powers to require further analysis if needed seems a reasonable approach.

With regard to section 72 we would support a requirement on supplier parties to comply with reasonable requests but agree that final determination of what constitutes reasonable should rest with the Secretary of State - without this measure there is a risk of unreasonable or onerous demands from the DCC being used as a reason to not deliver the required analysis or deliver it in less detail.

Enrolment and adoption is extremely important for the consumer experience of smart meters, and needs to be carried out at the earliest possible juncture. Our research found that just 13% of existing SMETS1 consumers knew their meter could lose functionality if they switched. Of those we interviewed who did not have a SMETS1 meter, 43% they would probably or definitely not go ahead with a smart meter installation if they were told they might lose functionality on switching¹.

Question 13: Do you agree that the legal drafting implements the changes to Ofgem's Significant Code Review powers contained in its Code Governance Review 3 Final Decision?

Nil Comment

Question 14: Do you have any comments on the proposed changes to Section H and Section I? Please provide a rationale for your views.

Citizens Advice has consistently supported the aims of the Data Access and Privacy framework and welcomes any moves to clarify any ambiguities generated by the current wording of the SEC. The question of landlords who are the energy bill payer but not consumer raises issues in several aspects of data privacy and security in the smart meter rollout and steps made to address them here will have implications elsewhere in the rollout.

It is worth noting that there have already been several instances in which energy suppliers and other parts of the energy industry have interpreted smart metering codes and regulations in ways significantly different from their intention, particularly around obligations to allow consumers to choose the extent to which they share data. As such clarification is likely to be useful, especially with regard to the broader Data Protection Act (DPA). The Smart Metering Data Access and Privacy framework currently goes above and beyond the protections provided by the DPA and it will be vital that this be made clear in any new drafting.

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<https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Energy%20Consultation%20responses/Early%20consumer%20experiences%20of%20smart%20meters%20-%20Research%20summary.pdf>

Consideration should also be given to providing some more explicit expectations of how situations such as those generated by landlords being named as bill-payers should be handled by energy suppliers. We would want to avoid a situation in which suppliers fulfill their duties simply by pointing landlords to the DPA somewhere in their terms and conditions.

Question 15: Do you agree with the proposals to make certain transitional variations described in Chapter 3.4 enduring? Please provide a rationale for your views.

Nil comment

Question 16: Do you agree with the proposal to revise the RDP Systems definition and the associated legal drafting? If not, please provide a rationale.

Nil comment

Question 17: Do you agree with our proposals for how multiple Technical Specifications and GBCS should be managed within the Code and do you have any comments on the proposed changes to supply licence conditions, the DCC licence and the SEC in order to give effect to them?

Nil comment

Question 18: Do you agree with our proposed approach to facilitating multiple versions of DUIS (and associated versions of the Message Mapping Catalogue and Parse and Correlate software)?

Nil comment

Question 19 (labelled 18 in consultation document): Do you agree with the proposals to make the changes set out in the Minor Miscellaneous Changes chapter and do you agree with the associated legal drafting? Please provide a rationale for your view

Nil comment