

Citizens Advice Response to the consultation on maximising interoperability for SMETS1 meters

May 2018



About Citizens Advice

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.

On 1 April 2014, the 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 300 independent advice centres that provide free, impartial advice from more than 2,900 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 2017, Citizens Advice Service helped fix 163,000 energy problems through our local network and 61,000 through our Consumer Service Helpline. Our Extra Help Unit specialist case handling unit resolved 8,367 cases on behalf of consumers in vulnerable circumstances, and their Ask the Adviser telephone service handled 2,593 calls from other advice providers in need of specialist energy advice.

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

Response

Introduction

All consumers should be able to switch energy suppliers and retain the 'smart' functionality of their meter. The solution suggested in the consultation could ensure this and we welcome the steps being taken. However, it is our view that the programme could benefit from more transparency, going forwards, including better information on costs, reasonable timeframes and customer impact.

We recognise there are ongoing conversations about some meter cohorts and whether they will be enrolled. The impact of these conversations and any delays in agreement should be clearly explained.

Question 1: Do you agree with the proposal that suppliers should be required to take all reasonable steps to enrol eligible SMETS1 meters in the DCC, or replace with SMETS2, within a specified timeframe?

On principle, we agree that suppliers should take all reasonable steps to enrol eligible SMETS1 meters into the DCC, or replace with SMETS2 meters. This will ensure interoperability. As the energy market develops, retaining smart meter functionality will be increasingly important to access new offers and services.

We are supportive of suppliers enrolling meters as quickly as possible and a specified time frame could help focus minds.

Our concern would be where a time frame does not reflect DCC capabilities or the supplier's capacity to resolve problems, if they emerge. Where these capabilities fall short, it could lead to high levels of replacement installations. This could be costly and inconvenient for the customer.

It therefore makes sense that a significant technical milestone should be reached before the timeframe begins, after which, we would expect enrolment at scale. There should be reasonable incentives for DCC and industry to reach this milestone. We would also encourage transparency and oversight over the technical processes to fully understand any potential impact.

Question 2: Do you agree with the proposal that suppliers should have six months from the point at which a SMETS1 meter can be enrolled to either enrol it or replace with a SMETS2 meter? Please provide evidence for any differing views on window length.

Citizens Advice does not have a view on how long the specified timeframe should be. We would expect a timeframe to be useful though, as a staggered enrolment could ensure a suitable migration rate.

We would welcome more detail on the rationale for the six month timeframe that the government has proposed and question whether timeframes would need to reflect the size of the cohort.

In light of the delays the smart meter roll-out has experienced, it would also be useful to ensure that there is clarity and scrutiny of the proposed time frame. It is important that the government ensures incentives and penalties for enrolment are clearly agreed by all parties.

Question 3: Do you agree with the proposal that where a supplier gains a SMETS1 meter that can be enrolled but is unenrolled, it should either enrol it or replace with a SMETS2 meter within six months of the point at which it gains the meter?

Yes, on principle, we agree with this proposal and believe that the meter should either be enrolled or replaced by the specified timeframe the original supplier was given. This provides clarity to industry on the expectations of interoperability.

Citizens Advice encourages suppliers to enrol meters into the DCC as a first resort, where it is cost effective to do so to limit the disruption faced by consumers.

Question 4: Do you agree with our current expectation that energy suppliers would consider enrolment of eligible SMETS1 meters to be more desirable than replacing them with SMETS2? If you do not share this view please provide evidence to support your response.

It is also our expectation that most large and some medium energy suppliers will consider enrolment of eligible SMETS1 meters to be more desirable than replacement. However, the resource requirement of the process may discourage some small suppliers. Our conversations with industry also indicate the cost of deemed meter rentals may incentivise some suppliers to replace SMETS1 meters

with SMETS2 meters. This behaviour would need to be monitored to ensure best outcomes for consumers.

Question 5: Do you agree with the proposal that any unenrolled SMETS1 meters should be replaced with SMETS2 meters by the end of 2020?

We would expect all unenrolled SMETS1 meters to be replaced with SMETS2 meters by the roll-out end date. This will ensure that all consumers are equally able to access the benefits of smart metering.

Question 6: Do you agree with the proposal that once a SMETS1 meter has been enrolled in the DCC it should not be possible for a supplier to withdraw it and operate it outside of the DCC?

Unless there are significant risks to the consumer experience, SMETS1 meters which have been enrolled in the DCC should not be withdrawn and operated outside the DCC. We are unaware of any benefits in doing so after the enrolment process has been successfully completed.

Question 7: Do you have comments on the government's views regarding the likely challenges of delivering the alternative option (Option 2) in a timely manner on a market-wide basis?

Citizens Advice does not consider option 2 to have the same merits as option 1. It does not provide the same incentives for energy suppliers to enrol SMETS1 meters as quickly as possible. It may also result in a poorer consumer experience if they are not able to access the benefits of smart in a timely fashion.

Question 8: Do you agree that the legal drafting in Annex A implements the policy intention? If not please explain why not.

n/a

Question 9: Do you have any additional comments on the legal drafting?

n/a