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Consultation on changes to equipment installation requirements and the governance arrangements for technical specifications

We welcome the opportunity to comment on the proposed changes to equipment installation requirements in the smart meter roll-out and future governance arrangements for SMETS. Citizens Advice has a particular interest in this programme having taken on the statutory duty to protect and promote the needs of energy consumers, formerly held by Consumer Futures.

The provision of equipment such as communications hubs, PPMIDs and HCALCSs will be of almost as great importance in the roll-out as smart meters themselves. We are pleased to see the detailed consideration being given to their availability, but it is hoped that steps will be taken to ensure that there are no barriers to obtaining this equipment where it would be beneficial. Doing so might risk jeopardising the large expenditure on the smart meter programme as a whole for the sake of a relatively small saving. Any arrangement in which suppliers are given responsibility for choosing which equipment is installed in which premises should be closely scrutinised to ensure that suppliers do not have an incentive to minimise what is provided in order to avoid expenditure.

The governance arrangements around SMETS need to be arranged in a way that is sustainable in the long term, but they should also be kept on a footing that is as accessible as possible. Making them and their modification process too complex might make it harder to adapt them in future, either to allow for new innovation or solve problems as they emerge. They should be approachable to new market actors and consumer groups as well as a small pool of industry code experts.

Q1. Do you agree with our proposed approach and legal drafting for meeting our policy intention of requiring energy suppliers to install DCC provided communications hubs with SMETS 2 meters at domestic premises, and requiring the DCC to provide

energy suppliers with CHTS-compliant communications hubs? Please provide a rationale for your views.

We support the requirement that energy suppliers should install compliant communications hubs at domestic premises, but we are disappointed that this proposal does not extend to non-domestic premises, at least for those that opt in to the DCC.

The importance of a communications hub in realising the benefits of smart metering is likely to apply to small businesses as well as domestic consumers. A communications hub will enable a consumer access device (CAD) to be connected, among other benefits, and in turn a CAD may be important to procuring third-party energy services in future. The obligation on suppliers mentioned in the consultation to give non-domestic customers access to half-hourly readings would be a poor second best, first because of the roll that a CAD can play in transmitting critical commands to appliances if a small business wishes to take part in demand aggregation, and second because a system that makes the supplier the only gateway for a non-domestic consumer's data may lead to vulnerability and delays if, for example, the consumer wants to use that data to find a better deal. A parallel situation has already been seen in the mobile phone industry.

We understand the argument that smart meter arrangements in the non-domestic sector should not have to be over prescriptive since metering arrangements may be in place already, but for many small businesses the smart roll-out will be as much a departure as for domestic consumers. They should therefore receive the same level of empowerment and protections, including on this issue.

Q2. Do you agree with the proposed approach and legal drafting in relation to requirements to comply with the technical specifications for PPMIDs and HCLACS where such devices are installed? Please provide a rationale for your views.

PPMIDs and HCLACSs should comply with the technical specifications, but in the case of PPMIDs we would reiterate our concern (previously expressed while operating as Consumer Focus) over how these specifications will work in practice. In the SMETS 2 consultation DECC set out a proposed set of minimum standards for functionality, but given that the purpose of PPMIDs is to be accessible to all consumers, there should be minimum standards of usability as well, on the basis of thorough user testing. The specifications should also be agreed on the basis of proactive research into what functionality consumers would use and value in their PPMIDs.

While agreeing that provision of PPMIDs and HCLACS is best arranged on a case by case basis, we would welcome clarification on what rights consumers will have to request either equipment. The consultation states that the requirement on suppliers to comply with the technical standards will apply 'when they choose to install such devices', but the choice should ultimately be in the hands of consumers. In the situation where a consumer requests a PPMID because he or she says the meter is inaccessible but the supplier disagrees, the consumer's view should take precedence.

Q3. Do you agree with the proposed approach and legal drafting to allow that more than one version of SMETS can be extant in the future? Please provide a rationale for your views.

Our view is that SMETS 1 is a less satisfactory specification, leaving major concerns over interoperability in the absence of a specified HAN. We understand that this proposal is intended to facilitate maintenance of SMETS 1 meters that are already installed, and on that basis we are content to support it. But it would be unfortunate if it had the unintended consequence of prolonging the life of SMETS 1 as an alternative to SMETS 2, or encouraging more suppliers to install SMETS 1 meters before SMETS 2 is available. Ideally we would hope that this provision might in future facilitate SMETS 1 being phased out or brought up to the level of SMETS 2.

Q4. Do you agree with our proposed approach and legal drafting concerning the incorporation of the SMETS into the SEC? Please provide a rationale for your views.

We addressed this question in our response (as Consumer Focus) to the initial consultation on SMETS 2 in 2012, and our views remain the same, as follows.

We understand the rationale for the proposed approach. However we seek reassurances that the SEC objectives will not be crafted in such a way that results in modifications to SMETS that could benefit customers face particular barriers (e.g. a function such as friendly credit makes no contribution to the Impact Assessment, or to competition, but can offer consumer benefits).

Any panel overseeing future SMETS modifications should include consumer and usability expertise. This is to ensure that modifications to the SMETS do not cause accessibility issues for customers or unintended consequences in terms of the customer experience.

Yours sincerely,

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Citizens Advice