



Department  
of Energy &  
Climate Change

# The UK Smart Metering Programme Consumer Engagement

Tom Bastin, DECC  
22 October 2013

# Smart Metering Implementation Programme

## The Rollout of Smart Meters

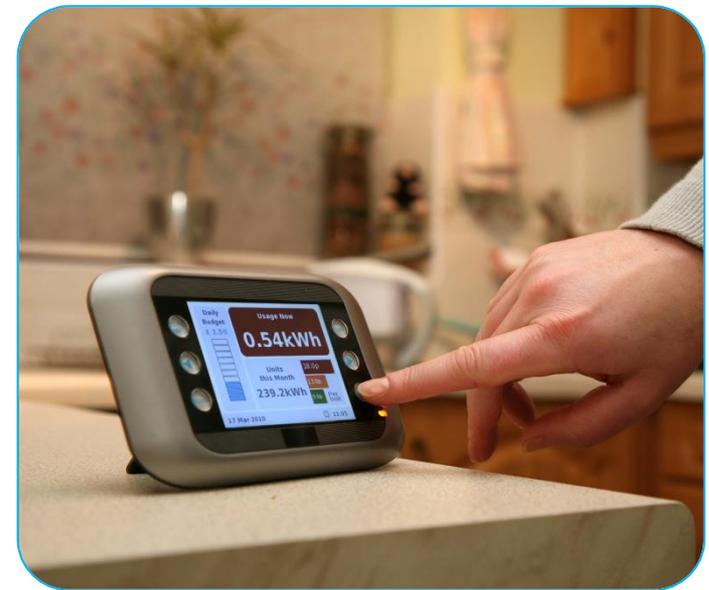


Department  
of Energy &  
Climate Change

### DECC set legislative/policy framework

### Energy suppliers responsible for installing meters:

- 53 million gas and electricity meters being replaced within 30 million homes and small businesses
- The mass roll-out will start in late 2015 and be completed by the end of 2020
- Within a competitive market framework
- Domestic consumers will be offered an In-Home Display

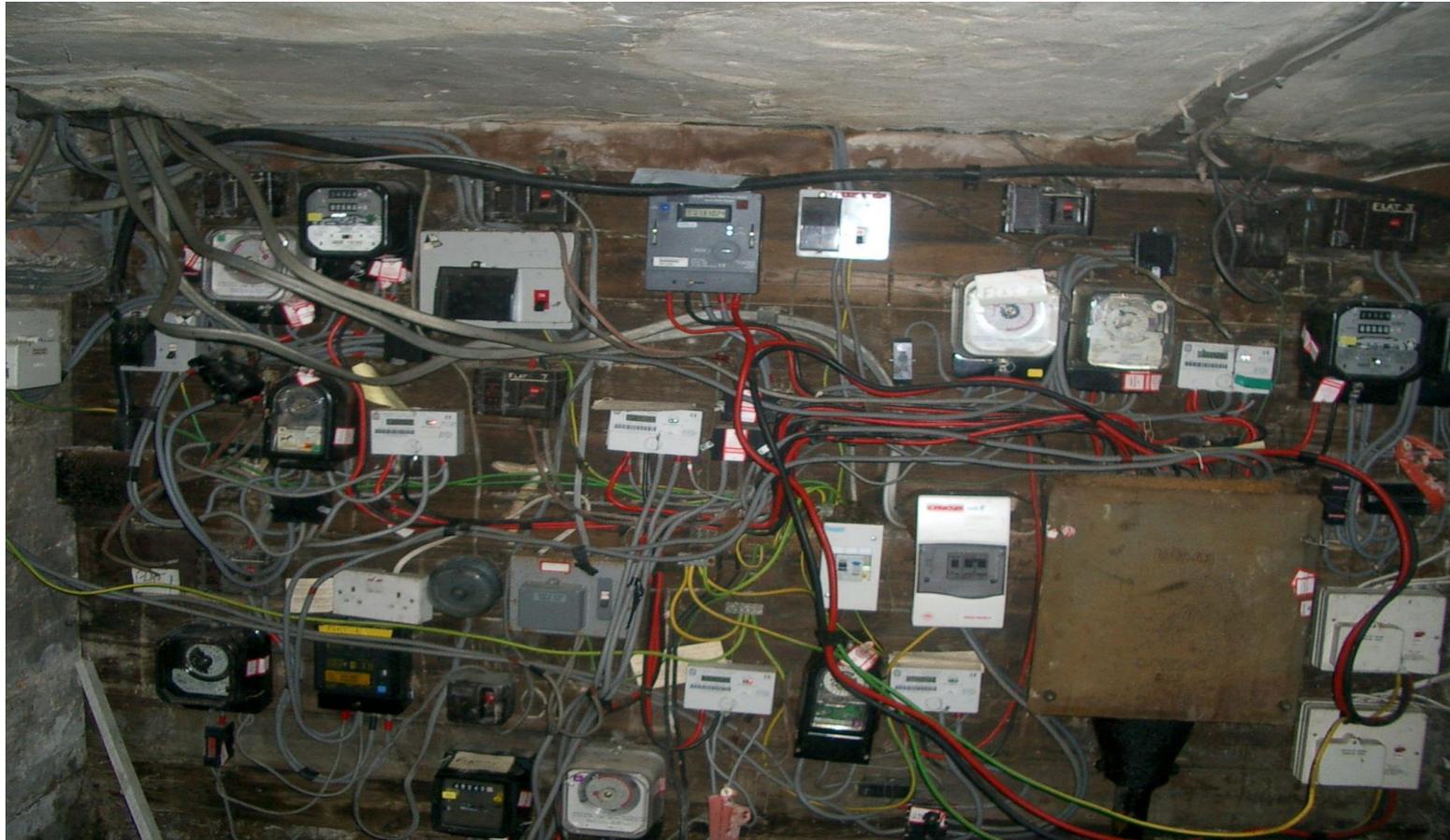


### Ofgem regulates

# Roll-out will present interesting challenges ...



Department  
of Energy &  
Climate Change



# Context for Consumer Engagement and Protection

## Consumer Benefits



Department  
of Energy &  
Climate Change

- Provision of more accurate information on energy use and cost to help consumers save energy, money and carbon
- Remote meter readings by energy suppliers.
- End to estimated billing, allowing better budgeting
- Greater range of tariffs, including time of use (smart appliances)
- Simpler and faster consumer switching
- Cost savings and efficiencies across the energy system which should be passed on to consumers
- Wider range of energy management services on offer e.g. health monitoring of vulnerable (with consent)
- Improvements to the service that pre-payment customers receive.

# Consumer Engagement

## The Strategy



Department  
of Energy &  
Climate Change

- **Consumer Engagement Strategy** published in Dec 2012.
- The Strategy is based around the achievement of three strategic aims:

**Aim 1:** Build consumer support for the roll-out, by increasing confidence in the benefits of smart meters and by providing reassurance on areas of consumer concern

**Aim 2:** Facilitate the realisation of consumer benefits, by building acceptance of the installation of smart meters and by helping consumers to use smart metering to manage their energy consumption

**Aim 3:** Ensure that vulnerable, low income and pre-payment consumers can benefit from the roll-out

# Consumer Engagement

## The Challenge



Department  
of Energy &  
Climate Change

What proportion of the public have heard of smart meters?

A: 37%

B: 57%

C: 77%

D: 97%

What proportion of people are interested in having a smart meter?

A: 19%

B: 39%

C: 59%

D: 79%

# Consumer Engagement Strategy

## Implementation Objectives



Department  
of Energy &  
Climate Change

- **Understanding Effective Consumer Engagement** - To improve understanding of consumer attitudes and the drivers and barriers affecting energy-consuming behaviour relating to smart meters.
- **Delivering consumer engagement** - To ensure that the identified supplier, centralised, third party and Government consumer engagement delivery mechanisms are put into operation.
- **Engaging the non-domestic sector** - To ensure that relevant non-domestic consumers are appropriately and effectively engaged with smart metering.
- **Enabling wider changes to the energy system and market** - To explore how consumer engagement can help exploit synergies between smart metering and other energy policies and initiatives.
- **Monitoring and evaluating the Consumer Engagement Strategy** - To monitor and evaluate the implementation of the Consumer Engagement Strategy in order to assess whether the different approaches to engagement are working, or whether they need to be adapted.



**Suppliers** primary engagement role as main interface with consumer pre-, during- and post- installation.

- Installation
- In House Display
- Indirect feedback (summarised, delayed feedback on consumption)

# Consumer Engagement Strategy

## Delivery Consumer Engagement - CDB



Department  
of Energy &  
Climate Change

- Programme of centralised consumer engagement undertaken by **Central Delivery Body (CDB)**
- Licence conditions required larger suppliers to set up the CDB by June 2013.

“The purpose of the CDB is to deliver consumer engagement activities which contribute to a cost-effective smart metering roll-out and the realisation of consumer benefits, particularly those related to reducing energy consumption.”

# Central Delivery Body Objectives



Department  
of Energy &  
Climate Change

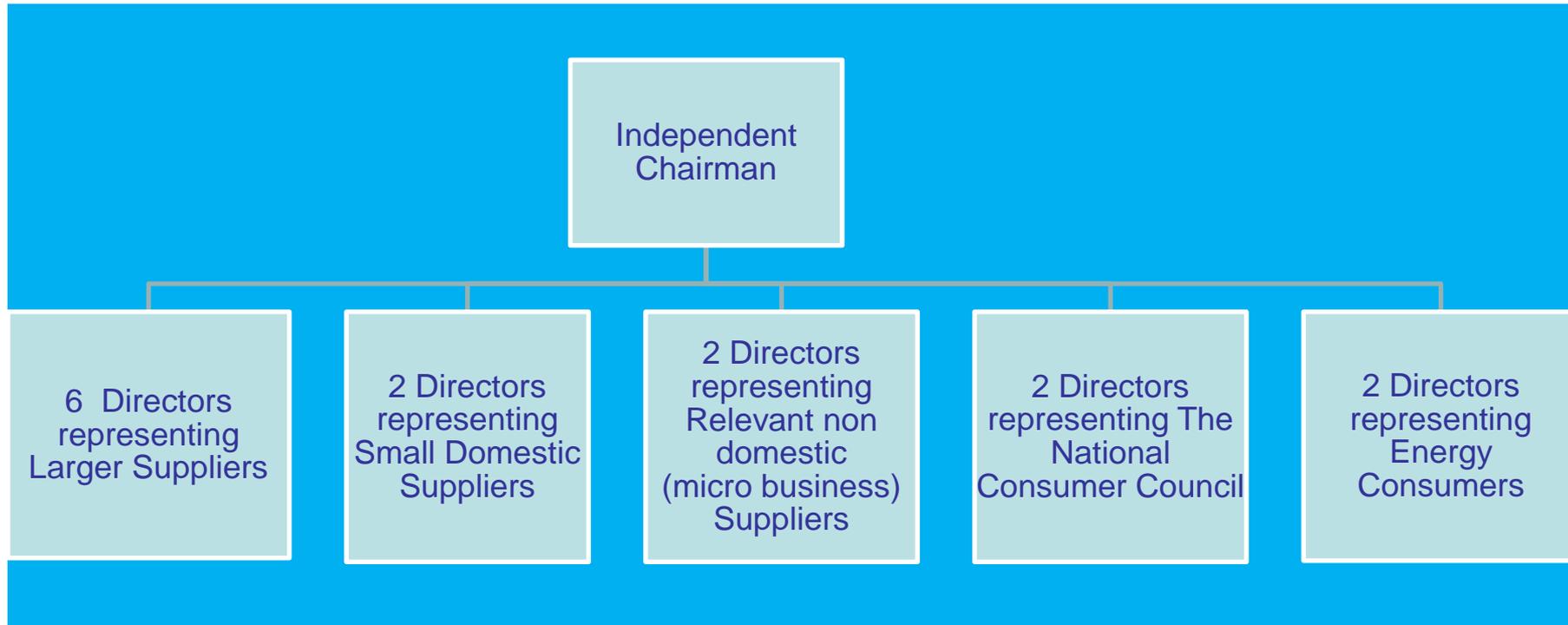
- To build consumer confidence in the installation of smart meters.
- To build consumer awareness and understanding of how to use smart meters and the information obtained from them.
- To increase consumer willingness to use smart meters to change their behaviours so as to enable them to reduce their energy consumption.
- To assist vulnerable, low income and pre-payment consumers to realise the benefits of smart metering systems while continuing to maintain an adequate level of warmth and meet their other energy needs.

# Central Delivery Body

## Board



Department  
of Energy &  
Climate Change





- Consumer Engagement Plan, Annual Budget and Performance Management Framework by 31<sup>st</sup> December 2013
- Annual Report by 31<sup>st</sup> March 2014
- Brand identity
- Social media monitoring
- Public launch and online presence
- Gradually ramp up consumer engagement activity
- Identify and undertake research to build on existing knowledge

# Central Delivery Body

## Working with DECC



Department  
of Energy &  
Climate Change

DECC will Play a role in directly engaging consumers by:

- ensuring that smart metering is part of wider DECC policies and communications about energy efficiency;
- monitoring the work of the CDB and suppliers to understand if benefits are being optimised;
- providing government reassurance on potential areas of consumer concern;
- working with the CDB to ensure clear roles and responsibilities for communications;
- raising awareness in the third sector of the role it can play in working with the CDB.

## Installing Smart Meters in Homes

The Government has legislated for a supplier Installation Code of Practice which covers:

- a ban on sales during installation visit
- avoiding inconvenience to customers
- provision of advice and information (energy efficiency)
- identifying and meeting needs of vulnerable customers
- keeping the code under review (Ofgem regulate)



### Energy Efficiency Advice

- Demonstration of In-house Display
- Initiate discussion on energy saving behavioural changes
- Direction to additional, impartial sources of information, eg on Green Deal
- Additional information for vulnerable consumers
- Follow-up communication



### Privacy

The Government has ensured that consumers will have a choice regarding access to their energy consumption data:

- suppliers will be able to access monthly consumption for billing and regulated duties
- consumers can opt out of giving daily data to supplier
- suppliers will need explicit consumer consent to access half hourly data
- third party access to data e.g. switching sites, requires explicit consumer consent



# Further Information



Department  
of Energy &  
Climate Change

- Installation Code of Practice
- UK Smart Metering Programme