

Consultation on non-domestic smart metering: the DCC opt-out and the advanced metering exception. IoD Response.

The IoD welcomed the opportunity to respond to the consultation, which ran from 24th March 2015 to 15th June 2015. Having already published a wider [report](#) on Smart Meters in March 2015, Dan Lewis, Senior Adviser on Infrastructure Policy, was pleased to respond to the specific questions (below) raised by the Department for Energy and Climate Change.

About the IoD:

The IoD was founded in 1903 and obtained a Royal Charter in 1906. It is an independent, non-party political organisation of approximately 34,500 members. The IoD supports its members through 48 regional branches across the UK, allowing it to be influential at a local level, as well as nationally. Members are some of the most skilled and prominent leaders in the UK, from start-up entrepreneurs to directors in the public sector and CEOs of multinational organisations

- 1. Do you envisage that smart metering communication services will be, or are likely to become available from alternative providers to enable the satisfactory operation or SMETS2 meters if opted-out of the DCC?**

The largest non-domestic sites have had smart metering with half hourly profile data since 1998 and medium sized sites since 2009. None of these required SMETS2 or the DCC for accurate billing or switching.

It is therefore an unnecessary and disproportionate burden to impose these conditions on the 2 million non-domestic sites when there are pre-existing solutions for the larger non-domestic sites. We believe the SMETS2 meters have already had a negative competitive impact by crowding out alternative technologies that could deliver much cheaper smart metering solutions and that the DCC data monopoly will stymie innovation for what should be a valuable market in analysing energy consumption data.

- 2. a) We would welcome views on what challenges are likely to be faced on the transfer of meters between opted-in and opted-out suppliers.**

We don't see why an independent meter service provider would not be incentivised to ensure the data flows to new opted-in or opted-out suppliers as they already do for medium and larger non-domestic sites. However we have heard concerns that the Smart Meter Key Infrastructure requirements are unnecessarily onerous and a potential barrier to entry for meter operators who already have their own proven security systems.

- b) We also invite comments on what you consider to be the likely impacts on the interoperability of SMETS2 meters if some SMETS2 meters are opted-out.**

Again, we believe opted-out meter service providers have a known history of ensuring data flows to new suppliers, as they already do this with medium and large sites and that there will be no impact.

- 3. Are the actions that the Programme would need to take (in conjunction with stakeholders) to facilitate an opt-out proportionate, given the possible numbers of meters that might be subject to an opt-out? In answering, please take into account your response to Question 2.**

We believe it would be prudent to relax or even cancel the requirement for SMETS2 meters for the smaller non-domestic sites. This would create the added benefit of creating a space where innovation and competition is allowed to work unimpeded, reducing operational and deployment costs.

- 4. Do you consider that the opt-out policy position remains appropriate or should it be removed? In particular, please include views on any specific issues you think the Government would need to consider if it were to remove the opt-out and require the enrolment in DCC of SMETS2 meters installed at non-domestic premises.**

It is essential that the opt-out remains in force as removing it will simply restrict competition by shoehorning the entire sector into one very costly and unproven solution. The opt-out could go further by enabling an additional opt-out from SMETS2 meters. There are already third party players operating in the energy data analytics marketplace and we are very concerned about the DCC's potential impact on their future business as the DCC will have unparalleled scale and discriminatory access to the data. We understand for example that access as a third party to the DCC for the data (through the "Adapter" gateway) may cost in the region of £100,000 – beyond the range of many small businesses and future start-ups which may include many IoD members. We are concerned that small sites will actually have less access to their energy data than they currently do with independent providers.

- 5. Do you agree with the Government's view that there is insufficient justification to extend the end-date for the advanced metering exception? If not, please provide your reasons and any evidence you wish to offer in support of your view.**

No we don't agree. With the SMETS2 likely to be delayed again, to fall back on SMETS1 meters in the interim and rule out forever a marketplace for competing advanced meters which already work well in medium and large non-domestic sites, would be a huge misjudgement. The government needs to not only extend the end-date but think again and initiate a review of Great Britain's smart meter programme. We want to see metering competition and a flourishing marketplace for energy data that puts the consumers, be they households or businesses first.

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