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Smart Meter Implementation Team
Department of Energy and Climate Change
Room 103,
55 Whitehall
London
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01 June 2012

Dear Sirs,

Re. Smart Meter Implementation Programme: Consumer Engagement Strategy (05 April 2012). Reference: URN 12D/033

Thank you for inviting us to respond to your consultation on Consumer Engagement Strategy. ElectraLink recognises the importance of effective consumer engagement in the context of the Smart Metering Implementation Programme (SMIP) and therefore welcomes the opportunity to respond to your consultation. In accordance with our central role as the service provider of the Data Transfer Service ('DTS') to the GB electricity market we have focussed our response on those areas most closely aligned with our experience, knowledge and core competencies.

Monitoring the effects of consumer engagement strategies, the deployment of smart meters and any effects on consumers' behaviour will be important for identifying and managing issues and opportunities during the rollout, and ultimately for measuring the success of the programme. In order to facilitate effective monitoring and evaluation, data will need to be collected and shared amongst a variety of stakeholders, including DECC, suppliers, network companies and other related third parties. This is equally pertinent during the foundation stage whereby existing industry data flows transmitted over the DTN will reflect data associated with early deployment of smart meters.

In early 2012 the DTS Users gave ElectraLink the permission to intercept their data flows and use this aggregated data to provide services to industry. The aggregation and analysis of the data that flows across the DTS gives ElectraLink a unique insight and allows us to provide to industry for the first time an end to end operational view of its key processes. These processes include change of supplier which ElectraLink is able to analyse in detail at each process step and benchmark individual participants' performance against the overall market.

ElectraLink data services incorporate the data that is generated from the deployment of smart meters during the Foundation period and are already being used by suppliers to support their customer insight programmes as they prepare for mass deployment. ElectraLink is currently in dialogue with other market participants to use data services in the tracking of the impacts of engagement strategies and the effects of smart meters on consumer and supplier behaviour.

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ElectraLink is also engaged with industry to help facilitate a solution to the other challenge facing suppliers during the Foundation period, namely the need to ensure that meters stay smart in the event of change of supplier. Such an outcome is a key determinant of the consumer experience of smart metering and industry must get smart meter interoperability right during the initial stages if it is to ensure longer term support for the programme. As the provider of the Data Transfer Network (DTN) that underpins the change of supplier process in electricity and facilities elements of change of supply in the gas market, ElectraLink has a unique insight on this challenge which we have been sharing with the Foundation Interim Operating Model (FIOM) working group of the SMIP Foundation work stream and with the Smart Meter System Operators (SMSOs). Given the ubiquity of the DTS in the GB electricity market, ElectraLink data flows can be used to ensure 100% market coverage for any interoperability solution agreed by industry.

Further to DECC's consultation, we consider that suppliers and third parties are ideally placed to lead the development of detailed consumer engagement strategies and to develop and share insight from the rollout of smart meters. We are already actively working with industry participants to facilitate the development of effective and efficient commercial and regulatory solutions that facilitate the delivery of the SMIP and we look forward to the opportunity to discuss how our services can support DECC more directly.

Based on our role as a Central Body, our provision of data services, our expert knowledge of the industry's business processes and our access to industry data, ElectraLink is confident that it can continue to make a positive contribution to the consumer engagement strategy underpinning SMIP.

We would of course be happy to discuss any element of this response in more detail with DECC as required.

Yours sincerely

Stuart Lacey

Chief Executive Officer

Appendix – ElectraLink Ltd's detailed response

Ensuring that consumers are well informed of the Smart Meter Implementation Programme (SMIP) is essential for its successful delivery and for the anticipated benefits of smart meters to be realised. An effective consumer engagement strategy is essential to ensure that consumers develop high levels of understanding, familiarity and trust in the programme and in smart meters.

DECC's engagement strategy will initially focus on activity during the foundation phase of the programme, with key lessons learned feeding in and improving the ongoing roll out and hence contributing to the overall success of the programme.

When reviewing the progress and success of consumer engagement strategies, DECC posed three example questions for which evidence would need to be collated:

1. To what extent has the roll-out of smart meters brought about changes in energy consumption and how does this vary by consumer type (including vulnerable groups)?
2. What are customers' attitudes towards, and satisfaction with, smart meters?
3. Which aspects of the smart meter installation and consumer engagement strategy appear more effective than others in promoting greater customer satisfaction and reducing energy consumption?

In light of its role as a Central Body, ElectraLink is well positioned to support DECC and the industry in collating key elements of this evidence during foundation and the enduring phases of the SMIP. In particular in two specific areas:

- as a provider of data and business analytics services that reports on industry datasets delivered by the Data Transfer Service (DTS) ElectraLink can, for example, provide almost real time volumetrics on smart meter installations by geographical area; and
- as the controller of the Data Transfer Network (DTN) infrastructure, ElectraLink can securely and quickly transfer those new and existing datasets necessary for monitoring and evaluating engagement strategies and enabling smart meter interoperability that informs us on both consumer and supplier behaviour.

The remainder of our response considers how ElectraLink can support the delivery of the SMIP through use of the DTN and value added data services. We have also provided our thoughts on the data requirements DECC is developing with our industry stakeholders.

Facilitating the secure transfer of data

ElectraLink provides DTS on behalf of the licensed Distribution Network Operators in GB. The DTS is used by all electricity suppliers, their agents and distribution network operators to communicate a large amount of critical business data relating to energy consumption and export, change of supply and metering activity. The provision of the DTS is required to facilitate the operation of the competitive electricity retail market - in particular, the business processes prescribed in industry codes such as the Balancing and Settlement Code (BSC) and Master Registration Agreement (MRA).1

The DTS supports the communication of critical business process data and incorporates the encryption, validation, translation and digital signing of all such data. Industry participants are

[1] For more information on the Data Transfer Service please refer to the guides on our website: http://www.electralink.co.uk/Publications

not mandated to use the DTS, they do so because they can realise the economic and efficiency benefits of using a standardised common infrastructure. Supporting innovation, ElectraLink has extended the use of the DTN to support developments in the Gas market. The DTN is the only dual fuel data network in the GB energy market.

We consider that the existing use of the DTN marks it out as an ideal and efficient solution for facilitating the secure communication of data necessary for the monitoring and evaluation of consumer engagement strategies.

DTN is an existing, established industry infrastructure - used by suppliers, their agents and network companies to securely communicate large volumes of regulated and commercial business process data. Therefore extending the use of the DTS would avoid the costs of establishing alternative network services. It would also avoid duplicating ongoing operational costs of replicating similar/identical network services.

The DTS will continue to be used post DCC - That is, once the DCC and SEC are established the DTN will still be used to facilitate the operation of prescribed regulatory processes, e.g. settlement, Change of Supply ('CoS'), Green Deal and metering activities relating to non-DCC meter points – that is, non-smart/legacy meters, non-domestic smart meters that are not registered with DCC, and existing HH meters.

The DTN already carries valuable data - A large amount of existing, potentially valuable data is carried across the DTN. We have set out the different data flows that may be of value below e.g. consumption data, metering date and change of supply data.

Scaleable and flexible -

- *The DTN is not limited to specific users*. This flexibility could be of particular value during the SMIP as new regulatory and commercial requirements and roles are defined. For example, a gateway could be provided for DECC that allows secure communication with a variety of interconnected sources for evaluating engagement strategies. In addition, while the consultation identifies an important role for third parties in delivering an effective consumer engagement strategy, in order for third parties to develop and deliver targeted messages, they will also need access to relevant data and insight. Users of the DTN can securely send and receive data and have bespoke data services designed for them that provide added insight into customer and supplier behaviour.
- *Different types of Gateway can be provided depending on the expected use of the DTN including a low cost entry solution.* This ensures no technological or economic barriers to entry exist for smaller players.
- *The DTN has been recently upgraded to be 'smart-ready'.* The DTN is now able to expand in a cost effective and efficient manner to handle an expected growth in volume as well as delivering near real time data transfer requirements. For example, growing volumes of interval data and new datasets.
- *The DTN provides regulatory and commercial services.* Regulatory services are those that are prescribed in industry codes whereas commercial services are developed as bespoke services for our users or as an effective and more convenient solution to regulatory arrangements for groups of users. Commercial services are typically designed and implemented within weeks as opposed to the months or even years required for regulatory change to be implemented.

We are confident that the DTS and DTN provide industry and DECC with an immediate and enduring solution for securely and efficiently sharing data necessary for monitoring and

evaluating consumer engagement strategies, as well as the overall progress and success of the SMIP. In this regard we are already supporting the industry in considering how commercial arrangements could be developed, which may be established well ahead of any formal, regulatory arrangements during Foundation.

Data services that facilitate the monitoring and evaluation of consumer engagement strategies and the development of policy

ElectraLink has visibility (subject to the data owners permission) of all data flows sent across the DTN. To take advantage of this visibility for the benefit of the industry and consumers, the DTS User Group agreed at the beginning of 2012 that ElectraLink should be given the authority to develop data services for industry participants and third parties. It was considered that data services could be developed to provide valuable insight into consumption behaviour, switching activities and metering activities. ElectraLink is therefore in a position to provide rich insight into consumer, supplier and other market participant behaviour, which in turn can be used to identify opportunities for tariff and service innovation and tailoring communications so that they are more relevant to different consumer groups.

Visibility of all data sent to and from all DTS Users means that ElectraLink is able to aggregate information into total market/360o data sets. It also means that we are able to produce rich, holistic analyses of data relating to the total market. For example, we can provide insight into overall market performance, overall process/activity performance, benchmark participants and groups of participants, produce geographic and demographic analyses. By reviewing the transactional data flows sent between DTS users, we are developing services for suppliers, DNOs and third parties that provide insight into changes in customer behaviour (e.g. consumption, switching) and supplier activities (e.g. roll-out of smart meters, changes in reading frequency, speed of CoS process). The following are examples of services being developed:

- CoS process assurance and timing – reporting that identifies the pinchpoints and timing for completing the CoS process. Analysis is presented so as to identify the specific supplier's performance and benchmarked performance against an industry average or total;
- 'Regains' analysis – reporting that provides insight into the effectiveness of a supplier's ability to re-gains a customer that had been previously lost. Analysis is presented so as to identify the specific supplier's performance and benchmarked performance against an industry average or total;
- Identification of consumption activity at unregistered sites;
- Process assurance/creating alarms/exception reports; and
- Rollout/clustering of new technologies.

Whilst data could be collated from a variety of sources using different methods, we think that the efficient and effective collation and communication of the data would be considerably enhanced if necessary datasets were translated and shared in the same standard format across the same infrastructure. This would avoid duplication of network services and costs, would allow real-time interrogation of data and would facilitate simpler, interoperable standard rules and message structures.

By non industry data sets (e.g. demographic, property usage, land usage and Green Deal data) it would be possible to develop even more detailed analyses and produce richer insight. For example, by incorporating demographic and property usage intelligence, existing NHH consumption data can be enhanced to better reflect different consumers' usage (e.g. by

differentiating between rural and urban users, the young and old etc) and aggregate to substation levels to assist with network planning and pre-empt consumer negative impacts. Alternatively, by incorporating information about the rollout of existing low carbon technologies it may be possible to develop models that predict who and where further low carbon initiatives may be successful or require intervention.

Data requirements

In order to effectively monitor and evaluate consumer engagement strategies, DECC will require access to a variety of datasets, which are likely to have different sources. DECC has asked AECOM to carry out an assessment of the likely data requirements for the SMIP. The assessment is intended to map existing data sources against the evaluation questions DECC has set for testing consumer engagement strategy.

DECC plans to have a formal approach for evaluating Consumer Engagement Strategy from 2014, the beginning of the mass rollout of smart meters. Before then, they would like to incorporate learning from the Foundation phase into the engagement strategies for the mass rollout.

The DTN already transmits data that can be used in the design, evaluation and modification of engagement strategies. Furthermore, the development of new commercial data flows and data services can be implemented much more quickly than regulatory solutions, which rely on the completion of lengthy industry code change processes.

We are actively engaged with industry and seeking to support parties development of cost effective, practical and interoperable solutions for facilitating the rollout and operation of smart meters in the foundation and enduring phases of SMIP. We look forward to further opportunities to work with suppliers, meter service providers and government to develop solutions that will facilitate the sharing and analysis of existing and new data sets, which are necessary for the successful monitoring and evaluation of the consumer engagement strategy.

We plan to contribute further to DECCs design of data requirements. In the meantime, we thought it would be helpful to identify the data that is already communicated across the DTS and how it could be used to provide insight to the SMIP.

- Consumption and export data
  - Meter readings – per supply point
  - HH interval data – per supply point
  - NHH estimates of annual consumption – per supply point
  - Profile class data used to estimate NHH interval consumption
  - Network area summaries of consumption and exported energy
- Change of supply data
  - New connections
  - Customer switching activity
  - Failures/Rejections/Objections
  - Market share of switching activity
- Metering data
  - Changes to metering – installation, removal, energisation/de-energisation, reconfiguration (eg credit to PPM)
  - Status of meter readings
  - Consumer Site Visits

Whilst DECC plans to implement an overarching consumer engagement strategy, it has emphasised the need for suppliers and third parties to lead the development of detailed consumer engagement strategies and innovative services. We consider that whilst suppliers may benefit from the certainty provided by direction developed as part of regulatory solutions, there are services and infrastructure that exist today that will allow parties to develop effective, interoperable solutions fully aligned with existing connectivity, data models and processes.