

Smart Metering Programme Office  
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**24th January 2014**

**Electric Ireland response to the proposed decision paper- CER National Smart Metering Programme Smart Metering High Level Design**

Electric Ireland welcomes the opportunity to respond to the proposed Smart Metering High Level Design decision paper. This consultation paper and its appendices outlines the proposed decisions with regard to the Core Design of the smart metering solution, the Time of Use tariff mandate, the Pay As You Go processes and the Presentation of Energy Usage information to Consumers.

The National Smart Metering Programme (NSMP) represents a huge investment, last estimated at €1 billion, for our country and while Electric Ireland recognise that the impact of the Programme on Suppliers represents only a portion of the overall impact, it will nonetheless be significant and require a substantial change to our internal systems in order to accommodate the proposed design. While we will accrue some benefits from more accurate billing and some reduction in bad debts these are outweighed by the additional costs incurred and the overall Cost Benefit Analysis (CBA) for Electric Ireland is negative.

However, should the decision be made to proceed with the Programme, Electric Ireland will support the NSMP and continue to be an active participant in the Programme. Electric Ireland have responded to all the Programme consultations issued to date and having reviewed our responses to these in light of the proposed High Level Design decision paper we find that our previous responses remain valid and we have included these in the Appendix to this response for completeness and they should be read as part of our response.

Electric Ireland is broadly supportive of the proposed High Level design however we have some key reservations

- The overall scale, complexity and pace of the programme is much greater than that which has been rolled out or proposed in smart metering programmes elsewhere. The Core Design includes mandates for TOU tariffs, Smart Prepayment, an In Home Device and a Web Portal. From our research we have not seen another program of comparable complexity rolled out successfully (table1). The Program is also very ambitious in terms of the timing and sequencing of the rollout. For example the timing of the meter installation, TOU tariff introduction, MIHD installation and smart prepayment is intensive.
- The lack of obvious provision for active customer engagement. As can be seen from international experience the successful roll out of a smart metering program is intrinsically linked to a strong Customer engagement plan e.g. Ontario, Canada. A

more complex Program will therefore have a higher reliance on a robust customer engagement campaign. It is worrying therefore that there appears to be an absence of a centralised Consumer Engagement budget in the program Cost Benefit Analysis (CBA).

- The lack of customer focus in some of the decisions that are proposed in the Core design. For example the smart metering induction process for the customer will be complex involving decisions regarding meter, tariff and device opt in/out, dealing with several different organisations and likely tariff rate entry. Another example is the absence of a constant display of a customers balance in the home for Pay As You Go customers despite all research showing that it is an expectation of the service.

The combination of the above mentioned points significantly increases the potential for customer confusion, dissatisfaction, opt-out and potentially challenging the overall success of the programme. In light of this serious consideration should be given to de-risking the program by:

### **1. Revisiting the pace of the rollout**

- The timeframe for the full rollout of smart meters to all residential and SME's customers by 2019 is very ambitious given that the programme is currently in design phase, will remain in this phase until the end of 2014 and deadlines have been missed. Program milestones and delivery dates need to be reviewed and extended.
- The proposed decision paper states that complementary reforms will be progressed in parallel with a TOU tariff mandate requiring that aggregate half-hourly consumption data is used to determine the volume of electricity each supplier is charged for in the wholesale market. It is not clear in the paper when this reform will be introduced. If TOU tariffs are introduced it is imperative that this data is used to settle supplier's wholesale costs.
- There also needs to be a minimum gap of 12 months (ideally 24 months) between the meter installation and TOU tariff introduction during which suppliers will receive and analyse half hourly consumption data to allow Suppliers to design market reflective tariffs. The granularity of the data will be a key enabler to applying intelligence and innovation to TOU tariffs, allowing suppliers to accurately reflect their supply chain cost thereby facilitating consumers in capturing the full benefits of the smart meter roll-out. International experience validates this approach.
- To reduce customer confusion and the potential for high consumer opt-out we recommend a separate phasing for the introduction of TOU tariffs, after meter installation. This will facilitate the introduction of the necessary market reforms, give time to suppliers and customers to assimilate the new data available and allow time to educate customers on the benefits of TOU tariff introduction.

## 2. Revisiting some of the complexities

- Given the key concerns regarding the timing and introduction of TOU tariffs and the current work that the CER is completing regarding the legal basis for the mandating of such tariffs, consideration should be given to the ability of certain sectors of the market to opt out of TOU tariffs e.g. vulnerable, elderly, low consumption segments
  
- As we have evidenced from research conducted by the Program, the thin prepayment model is not suitable for the legacy prepayment market due to their expectation regarding balance display in the home. It is also arguable that there is no incremental energy consumption reduction benefit to the program for this group of customers as they have been able made significant energy savings to date. We would therefore recommend that legacy prepayment customers should have choice regarding receiving a smart meter or not and if they choose to opt out of a smart meter that they do not get charged a punitive charge for doing so.
  
- The business case for a mandatory IHD is still not clear and there may be better, future proofed solutions available to present energy usage information to customers. Indeed some of the proposed decisions regarding the mandated IHD seem to weaken an already weak business case for the device. For example
  - o Short useful life of 2 years
  - o Timing of MIHD rollout with the meter, this means that a customer will have an MIHD before a TOU tariff is in operation which is when an IHD is most effective. There is also a high risk with this approach that the MIHD will be forgotten about or lost before it is useful. (e.g. Sacramento smart metering rollout)
  - o Electric Ireland support the CER preference for automated price updating onto the MIHD however If the feasibility study that ESB Networks are mandated to conduct in 2014 is not positive it will mean a low spec device will be offered to all customers with price information being input by customers. As we have seen in Great Britain the IHD represents the Smart Meter to consumers, we would argue that a low specification, temporary device will injure the programs reputation in customers minds.
  - o The mandate ignores the fact that significant percentage of locations in Ireland will not allow communication between smart meter and MIHD and / or communications coverage to the smart meters from ESN.

## 3. Customer engagement

Given the complexity of the Irish Smart Metering Program there is a requirement for a robust central Consumer Engagement budget. This needs to be agreed with Stakeholders and included in the Program's CBA. We would also feel that given the criticality of this process to the programs success that the CER needs to take responsibility for this activity

#### 4. Additional issues

The absence of an all island Smart Metering approach by the regulators remains an issue for the NSMP. A significant investment has been made by all market participants in the recent Harmonisation project and the lack of an agreed approach on smart metering for the island, impacting the same supplier participants, is illogical.

- Regarding Technical Exceptions and Exemptions from the Smart Meter we would recommend that they are kept to a minimum and apply to only to vulnerable customers and legacy pay as you go customers if required.
- We would highly recommend that data entry fields for the MIHD should not be limited to three time band rates, there should be an option to enter a fourth 'daily rate / charge' to allow for closer bill matching, flexibility and future proofing.
- To future proof and optimise the smart metering infrastructure the HAN protocol utilised should be able to communicate directly with smart devices in customers homes without place an additional cost on customers to purchase bridging devices etc.
- The proposed decision regarding the provision of historical data to customers by both Suppliers and Networks is inefficient requiring a duplication of effort, We would recommend that this service would be better proved by suppliers who have a web offering in place for their customers.
- Electric Ireland agree with the CER proposed position on third party access in that it should be the Customer that passes the data on to the third party that they authorise to receive it.
- We do not fully understand the mechanics of how the proposed PAYG topping up your Credit Balance process will work due to the lack of detail in the proposed decision paper. This process works very efficiently for the current prepayment market and therefore needs to be designed with a customer focus to ensure a positive experience.
- The CER needs to ensure that an appropriate regulatory framework is in place to support and manage the role of third parties in the market and to avoid any risk of customer confusion, data privacy infringement and program reputational damage.

We trust that the Programme will find these considered recommendations useful when forming the final decision paper and Electric Ireland look forward to continuing our proactive engagement with the program.

**Table 1. Comparison of Smart Metering Program components**

Jurisdiction	Meter to HAN connectivity	TOU tariff mandate	IHD and incentive	Web portal support mandate	Prepay
Victoria	Not specified	Opt in	Market based (VEET)	Opt in	N/a
California	Yes	Opt out tariff (2014)	Market based	Opt in	N/a
Texas	Yes	No	Market based	Mandatory	Yes
Ontario	Not specified	Yes	Market based	Opt in	N/a
GB	Yes	No	Yes with customer opt out	No	Available
Ireland	Yes (IHD)	Yes	Yes with customer opt out	Mandatory	Yes – part of SM functionality
Germany	Trials only	No	No	No	N/a
Sweden	No	No	Market based	Opt in	Not available
Finland	No HAN	No	Market based	No	Not available

## **Appendices**

1. Electric Ireland response to CER/13/151a – Steady State Model consultation
2. Electric Ireland response to CER/13/152a – Time of Use Tariffs consultation
3. Electric Ireland response to cer13164a – Presentation of Energy Usage Information
4. Electric Ireland response to CER/13/165– Pay As You Go consultation

## APPENDIX 1

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6<sup>th</sup> September 2013

### **Electric Ireland response to CER/13/151a – Steady State Model consultation**

Electric Ireland welcomes the opportunity to respond to the Steady State Model consultation paper. The model provides a high level overview of how the smart metering solution will function when we reach the steady state and Electric Ireland are broadly in support of the model with several caveats that will be explained in this response.

This consultation response is to one of four consultation papers and an overall cost benefit analysis (CBA) being issued by the CER on the National Smart Metering Program this year. The papers and the CBA are very interlinked yet they are being published in a way that means respondents do not have the full picture from all four papers and the CBA when responding to both this paper and the Time of Use Tariffs paper. Electric Ireland therefore reserve the right to amend our position depending on the content of the CSI and Prepayment Consultation Papers which may change the base assumptions being used in assessing these papers.

Electric Ireland broadly supports the Steady State Model as outlined in the consultation paper. Some key features that the model offers will empower customers to change their energy consumption behaviour and make energy savings:

- Half hourly consumption data is available to market participants which will enable customers to receive richer information on their energy usage and enable them to change their behaviour to optimise savings.
- Wholesale settlement is reformed to use customers' actual consumption data instead of general profiles and there will be a review of the DUoS billing process. We feel that this is warranted with the prospect of demand data becoming available for domestic and SME customers and we believe the outcome should reflect the cost drivers of the distribution network

- Thin prepayment model used which future proofs the Steady State Model and allows prepayment and credit customers to have a similar customer experience.
- The model supports the ability of suppliers to provide innovative tariffs to meet their customers tailored requirements.
- The opportunity for Suppliers to offer our customers the ability to access consumption and cost information in their homes so they can continue to optimise energy savings after the mandated In Home Device is no longer supported.
- Suppliers provide a web portal for customers so that they can quickly and easily download their consumption data.
- The model supports a customers primary relationship with their energy supplier
- The model is built using sound design principles.
- The model leverages the existing market messaging infrastructure

**However this support is caveated by the following:**

**1. Stakeholders definition & roles in paper:**

Electric Ireland would highlight that the Stakeholders diagram included in the paper does not include Generators and their role in the program and that this needs to be added to give a full picture of the stakeholder roles played in the market.

In addition the diagram does not state that the CER has responsibility for Customer Engagement and Education delivery for the program. This is a crucial body of work for the program and based on international experience can make the program a success or failure. The responsibility for the delivery of this work needs to be detailed as part of the role of the CER.

**2. Components of the Steady State Model**

### 1. Meter / UHAN / SIHD / CAD

Electric Ireland will be providing a full response on the In Home Device functionality used by the model during the Transition phase of the program and the Steady State Model in our response to the CSI consultation paper.

We welcome that Suppliers can utilise alternative media channels to provide useful energy cost and consumption information to their customers and that there is no mandate on Suppliers to provide a device to make real time consumption and cost information available to customers in their home.

To future proof the Steady State Model Electric Ireland would recommend making the Utility HAN open and enabling communications from Suppliers to the mandated IHD. This would assist with getting customer price information accurately onto the IHD to enable accurate real time cost information on the mandated IHD.

We would also strongly recommend that the communication protocol used by the HAN should be able to communicate with smart devices such as smart phones and tablets directly so that customers may use these devices to access their real time cost and consumption information without the requirement and cost of putting a CAD in the home.

### 2. Half Hourly data provision to Networks and Suppliers

Electric Ireland welcome the assumption made in the the Steady State Model that Half Hourly consumption data will be available to Networks and Suppliers in the market. The increased granularity and richness of the data available will benefit consumers with cost reflective pricing and tariff choice and will enable Suppliers to develop innovative and cost saving tariffs for our customers.

The model assumes that the consumption data will be sent daily to Suppliers / Shippers in the market and given the significant issues experienced with the market messaging system in recent months, we would seek assurances regarding the robustness of the existing system / upgraded system to handle this level of data effectively. We would seek confirmation that estimated reads will be provided where required and clarification on the replacement reads process that will be used.

### 3. Opt out impact

Electric Ireland feel that the introduction of an Opt Out policy will have a negative impact on Suppliers systems and processes as we may will have to manage customers with and without smart meters which

is a change from the original assumptions regarding the roll out and in preparation of the original Cost Benefit Analysis prepared after the trial.

#### 4. Wholesale settlement, Duos & Tuos billing based on actual consumption

Electric Ireland strongly supports that the Steady State Model shows a move from wholesale settlement, DUOS and TUOS billing based on general customer profiles to customers actual consumption. There is no incentive for a supplier to offer a Time of Use tariff to the market if these reforms have not been made and this argument has been set out very clearly by the CER in the Time of Use tariff consultation paper.

#### 5. Prepayment model used by Steady State Model

The primary difference between the Steady State Model and the Alternative Working Assumption is the type of prepayment model employed and the additional information flows required to support the alternative. While Electric Ireland is broadly supportive of the Steady State model and the thin prepayment model it utilises we would reserve our full response on this until we fully review the Prepayment consultation paper which will give a fuller picture of how each model will work when smart meters are introduced. Electric Ireland acknowledges the advantages that the thin prepayment model offers suppliers and customers but the model does require significant IT investment by suppliers to support it. We would also point out that there is very little information available on the Alternative Working Model in the paper and is therefore difficult to assess fully at this stage.

#### 6. Customer web portal and third party access

Electric Ireland welcomes that, in the Steady State Model, Suppliers provide a web portal for customers so that they can quickly and easily download their consumption data. We note that there is an addition of a possibility of an alternative provision of this service by Networks in the model. There is very little information available in the paper to assess this alternative so Electric Ireland will fully assess this when the CSI paper is published. Electric Ireland strongly feel that third party access to a customer's consumption data should only be available via the customer to any third party should they so wish.

#### Further clarification required from CER regarding the Steady State Model

Electric Ireland seeks further clarification of the following areas to be able to fully assess the Steady State Model and its implications on our business.

- Absence of a time frame for the transition to Steady State Model. A proposed roll out and transition plan from first meter installation in 2016 to Steady State Model is crucial to allow industry stakeholders fully assess the impact of the model on their business.
- Opt out uncertainty. The change in position from 100% smart meter roll out to allowing for Technical Exceptions and Exemptions by the CER has provided an additional level of uncertainty in assessing the model and the categories of customers that we will be providing services to.
- Customer Engagement -the responsibility of consumer engagement, which is crucial to the success of the program is absent from the stakeholder roles and responsibilities set out in the paper.
- Ability of Phase 2 of the Program to meet the December 10<sup>th</sup> Decision deadline. The intensity of workloads for Stakeholders actively involved in the program is very high during final four months of 2013. There are two further consultation responses required, a CBA rerun, a Call for evidence for the Data Protection work stream, four minded to positions published and responses to be written and a further final CBA to be run before the proposed December 10<sup>th</sup> Decision paper is issued.

### Appendix A – List of Substantive Questions

#	Question/ Proposal	Yes	No	Comments
1	Do you believe the stakeholder roles outlined in Figure 1 are the appropriate roles to deliver the NSMP strategic objectives? If not, please outline alternative roles per stakeholder.		No	The role of the generator and their responsibilities have been omitted
2	Have we clearly defined the stakeholder roles outlined in Figure 1? If not, what further explanation is required?		No	The responsibility for Consumer Engagement has been omitted from the CER's role

#	Question/ Proposal	Yes	No	Comments
3	Do you believe the design principles outlined in Section 4.0 are appropriate for the evaluation of the SSM? If not, please outline alternative design principles.	Yes		
4	Have we clearly defined the design principles in Section 4.0? If not, what further explanation is required?	Yes		
5	Do you believe the critical functions outlined in Figure 2 clearly articulate the key data flows, processes/messages within the SSM?		No	Please see the Caveats section of Electric Ireland's response
6	Do you believe Table 1 represents appropriate key working assumptions underpinning the SSM?		No	Please see the Caveats section of Electric Ireland's response
7	Do you believe the Table 2 is a fair high level evaluation of how the SSM working assumptions align to the Design Principles?	Yes		
8	Do you believe Table 3 represents appropriate working assumptions that reflect alternative ways of delivering certain critical functions of the SSM?		No	Not enough detail provided to assess fully

#	Question/ Proposal	Yes	No	Comments
9	Do you believe Table 4 is a fair high level evaluation of how the alternative working assumptions align to the Design Principles?		N	<p>Insufficient detail provided for a full assessment, in addition:</p> <p>‘Provides a default industry solution for presenting cost data to the Consumer’ – holding not presenting.</p> <p>‘Consumers have the option to view their account balance on the meter’.</p> <p>- Not a viable option due to meter location issues for more than 50% population</p>
10	Do you agree with the conclusion presented in Section 5.6? If Yes or No, please provide supporting commentary.	Yes		

## APPENDIX 2

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**6<sup>th</sup> September 2013**

### **Electric Ireland response to CER/13/152a – Time of Use Tariffs consultation**

Electric Ireland welcomes the opportunity to respond to the Time of Use Tariffs consultation paper. The introduction of a ToU tariff is a crucial component of the program and the driver of change in consumer behaviour which ultimately delivers the benefits of the program. We have seen the introduction of a ToU tariff succeed and fail in other markets and it is therefore paramount that there is a balance achieved between commercial flexibility for suppliers to offer customers the tariffs they need and avoiding customer confusion.

This consultation response is to one of four consultation papers being issued by the CER on the National Smart Metering Program this year. The papers are very interlinked yet they are being published in a way that means respondents do not have the full picture from all four papers when responding to both this paper and the Steady State Model paper. Electric Ireland therefore reserve the right to amend our position depending on the content of the CSI and Prepayment Consultation Papers which may change the base assumptions being used in assessing these papers.

Electric Ireland feel that examples 1,2 and 3 that are provided in the paper do not offer the opportunity for customers to be offered cost reflective tariffs nor do they offer suppliers commercial incentives to offer TOU tariffs during the transition phase;:

- No wholesale settlement or DUoS charging reform (the reasons for this reform requirement are set out very well in the paper)
- No Half Hourly consumption data sent to suppliers
- No discount offers allowed
- Rate differentials are set in two of these three example tariffs
- Retrograde step in regulation of market pricing

- Uses meter registers for reads - at odds with the Steady State Model proposal, does not future-proof the solution and there is a possible limit to 11 registers so tariff innovation is stifled.
- Restricting choices may discriminate against some customer segments
- Reduced tariff innovation and commercial flexibility

However we would acknowledge that elements of these tariff examples do have some advantages. For example there would be reduced customer confusion with these options as there would be a commonly understood default tariff and it is commonly accepted that reduced confusion leads to better engagement which is required to deliver the CBA. In addition the fact that these tariff examples have a mandated default option will reduce opt-out figures for the program and have a positive impact on the program CBA.

Example four which is the Steady State model tariff offers the ability of cost reflective pricing to be offered to customers and offers commercial incentives for suppliers to offer ToU tariffs to their customers;

- Wholesale settlement reform in place
- Half Hourly consumption data provided to suppliers
- Ability to offer discounts to customers
- Ability to provide cost reflective, innovative tariffs to suit our customers
- Future proofed solution requiring no further investment for delivery after the transition phase is completed.
- There is a long lead in period for smart meter and ToU tariff introduction which could be used to educate and engage with customers on these tariffs.
- Not a retrograde step for regulation in the energy market.
- Optimises the investment in the system – data granularity & richness of information for customer

However Electric Ireland acknowledges that this tariff does have some drawbacks during the initial transition phase of the smart metering roll out. It does provide the potential for customer confusion due to

the lack of a commonly understood default tariff design and this could lead to reduced customer engagement. In addition as this example does not have a mandated default option the risk of increased opting out by consumers is introduced.

Electric Ireland would recommend that, for the transition phase of the program, the following type of ToU tariff structure be adopted by the market.

- One mandated default TOU tariff structure for the residential sector (no default for SME market) with supplier ability to offer additional options of tariffs to best suit their customer segments including businesses. This offers cost reflective choice to customers if they want it. There would be no rate differentials set for this default residential tariff.
- Ability for Suppliers to offer discounts.
- Wholesale settlement reform in place before TOU tariff introduction and a review of the DUoS billing process. We feel that this is warranted with the prospect of demand data becoming available for domestic and SME customers and we believe the outcome should reflect the cost drivers of the distribution network
- HH consumption data provided to suppliers
- Light regulation touch in the form of guidelines for the additional tariffs that suppliers offer
- Clearly defined and planned transition plan supported by a robust Customer Engagement and communications plan
- Optimises use of system – data granularity & richness of information for customer – residential & SME's

This option would enable cost reflective pricing to be offered to customers and appears very favourable when assessed against the CER guidelines for tariff development as set out in the paper:

- Easy to understand for consumers – Yes
- Engaging for consumers – Yes
- Providing choice and protection for consumers - Yes
- Flexible in supporting competition and innovation - Yes
- Operational at low cost for all parties, and over time – Yes

- Providing tariffs that accurately reflect supply chain costs – Yes

### ToU tariff introduction options

The paper also discusses two main options for the way in which ToU tariffs may be introduced to customers. The first option is a 'Controlled Start' option and with this option a set of readiness criteria are reached before the ToU tariff is introduced. Electric Ireland feels that this option offers some advantages:

- easier for customer engagement & education programmes
- ability to educate customers about their actual consumption before TOU introduction
- Everyone treated fairly – less feeling of relative deprivation
- 12 months data collection and education is possible

The alternative option offered in the paper is TOU tariff implementation from the time of meter installation. The main area of concern with this option is the risk of bill shock to customers. However this option does offer:

- The ability to learn as you go
- No delay in technology use and starting to gain the benefits of the program.

Electric Ireland's preference is for a controlled start at least 12 months after meter installation which would avoid bill shock for our customers and allow us 12 months of data collection and education. To enable cost reflective pricing to benefit our customers we would require wholesale settlement reform in place and DUoS charging reviewed before ToU tariff introduction. We would also recommend delaying the installation of the MIHD until TOU introduction to optimise its use.

### Technical Exceptions & Exemptions

The paper also addresses the ability of households to opt out of a smart meter installation. It is obviously in the interest of the program to try to optimise its benefits and to have as close to 100% meter roll out as possible. While Electric Ireland can see that there may be valid technical exceptions when a

meter cannot be installed we would recommend that exemptions are kept to a minimum and apply perhaps only to vulnerable customers if required.

## Appendix A – List of Substantive Questions

Question/ Proposal	Yes	No	Comments
<b>Q1.</b> Do you think any additional analysis would be useful to support the development of an effective time of use mandate? If so, please describe the analysis and your reasoning.	Y		Quantitative research to offer robust feedback on ToU tariff options
<b>Q2.</b> Do you have any customers on microgeneration specific tariffs? If so, what are these and how many customers are on each one?			Electric Ireland have a large number of customers to which it provides a microgen service. This service currently does not include putting customers on a microgen specific tariff.
<b>Q3.</b> Do you think that there are any other types of regulation or parameters to regulate that should be considered?		N	
<b>Q4.</b> Is there anything you would add or remove from the evaluation criteria?		N	
<b>Q5.</b> Are there any other examples that you would add to this list?	Y		Electric Ireland would recommend that,

			<p>for the transition phase of the program, the following type of ToU tariff structure be adopted by the market.</p> <ul style="list-style-type: none"><li>-One mandated default TOU tariff structure for the residential sector (no mandate for SME's) with supplier ability to offer additional option of tariffs to suit their customer segments including businesses.</li><li>- Ability to offer discounts and no differentials mandated</li><li>- Wholesale settlement reform in place before TOU tariff introduction</li><li>- HH consumption data provided to suppliers</li><li>- Light regulation touch in the form</li></ul>
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			<p>of guidelines for the additional tariffs that suppliers offer</p> <ul style="list-style-type: none"> <li>- Clearly defined and planned transition plan supported by a robust Customer Engagement and communications plan</li> <li>- Optimises use of system – data granularity &amp; richness of information for customer – residential &amp; SME's</li> </ul>
<b>Q6a.</b> Would you add any pros or cons to the lists described in this section? If yes, please provide rationale for the additions.		N	
<b>Q6b.</b> Do you disagree with any of the pros and cons listed in this section? If so, please explain which one, and provide rationale to support your viewpoint.		N	
<b>Q7.</b> What would the impact of each of these examples be on your organisation? Please provide indicative costs and supporting analysis where possible.	Y		Outlined in overall response, cost implications being provided for CBA rerun
<b>Q8.</b> Are there any operational issues we should consider that are associated with any of these examples?	Y		As above

<p><b>Q9.</b> Would you add or remove any of these readiness criteria – and how do they rank in terms of importance? Please provide your rationale.</p>		N	<p>MIHD rollout at time of ToU introduction, not at meter installation time to optimise usefulness of MIHD</p>
<p><b>Q10a.</b> Do you agree with our assessment that moving to half-hourly (electricity) settlement for residential customers would align incentives on suppliers more effectively?</p>	Y		<p>This case has been very well made by the CER in the paper</p>
<p><b>Q10b.</b> Do you agree that half hourly data will be needed by both suppliers and networks if we move to half hourly settlement?</p>	Y		<p>To enable cost reflective pricing</p>
<p><b>Q11.</b> What would the impact of moving to half-hourly (electricity) settlement on your organisation be?</p>			<p>Moving to ½ hourly settlement will impact on the organisation.</p> <p>Data Storage will need increasing as the volume of market messages will hugely increase.</p> <p>Additional IT system investments will be required for the following reasons:</p> <p>Aggregation of ½ hourly data into the TOU bands for billing</p>

			<p>purposes per MPRN.</p> <p>Segmentation &amp; analysis of customer profile data for purposes of forecasting, pricing, hedging.</p>
<p><b>Q12.</b> How much notice would you need prior to moving to half-hourly (electricity) settlement?</p>	<p>Y</p>		<p>This should be built into the system delivery plans for the program and then suppliers can work to overall program deadlines. Wholesale settlement reform should be incorporated into the Program deadlines.</p>
<p><b>Q13.</b> Do you agree that DUoS and TUoS charging should be reviewed, in light of the move to time of use customer tariffs? Please explain your reasoning.</p>	<p>Y</p>		<p>We welcome a review of the DUoS billing process. We feel that this is warranted with the prospect of demand data becoming available for domestic and SME customers and we believe</p>

			the outcome should reflect the cost drivers of the distribution network
<b>Q14.</b> Do you have any comments on the appropriate approach to exceptions and exemptions? Please explain your reasoning.	Y		While Electric Ireland can see that there may be valid technical exceptions when a meter cannot be installed we would recommend that exemptions are kept to a minimum and apply perhaps only to venerable customers if required
<b>Q15.</b> Do you agree that monitoring is required and what forms it should take?	Y		In regards to progress being made to move to Steady State Model and any tariff mandate removal
<b>Q16.</b> Do you have any comments on the relative merits of the illustrative approaches to transition listed?	Y		Electric Ireland's preference is for a controlled start at least 12 months after meter installation which would avoid bill shock for our customers and allow us 12 months of data collection and

			education. To enable cost reflective pricing to benefit our customers we would require wholesale settlement reform in place and DUoS charging reviewed before ToU tariff introduction.
<b>Q17.</b> What other approaches to transition should be considered?			
<b>Q18.</b> What are the opportunities and risks for consumers, and for retail competition, if the development of TOU tariffs in gas is left to the market – in the context of a mandated migration to TOU for electricity customers?			There could be a risk of customer confusion although this is less likely with Gas ToU tariff pricing
<b>Q19.</b> What are the opportunities and risks for consumers, and for market participants, associated with making charges for wholesale gas and network usage more dependent on when gas is consumed by household and smaller business customers?			
<b>Q20.</b> Do you have any additional comments?			

## **APPENDIX 3**

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**11th October 2013**

### **Electric Ireland response to cer13164a – Presentation of Energy Usage Information**

Electric Ireland welcomes the opportunity to respond to the Presentation of Energy Usage Information consultation paper. This consultation paper details what information is expected to be presented to Customers through Mandated In Home Displays, Smart Billing and Customer Web Interface(s) as part of the regulatory framework for smart metering to deliver consumer benefits and includes a detailed a set of requirements that the CER is 'minded to include' in regulation.

We have structured our response to give a summary response on each area and then answer the questions asked in Appendix A.

#### **Smart Billing requirements**

Electric Ireland are broadly supportive of the six 'minded to include' Smart Billing requirements. Regarding billing cycles for smart bills, Electric Ireland welcomes the flexibility that this can be determined by the Supplier and ultimately by Customer demand. Suppliers need to take into account the additional costs for postage, printing and paper before changing their billing cycle. Having done this Electric Ireland would feel that billing frequencies more than bi-monthly would be very suitable for those customers that elect to receive their bill electronically and it would remain most economical to provide bi-monthly bills for those that request paper bills. It is important to note that mandating of the inclusion of an energy statement in each bill will increase suppliers costs of printed bill delivery and we will need to assess the impact of this on bill frequency for those opting for paper bills. We would also note that it is important that

Supplier discretion remains for the timing of bill issuing over the month / bi-month cycle so that responses to bill queries can be managed consistently by our customer care teams and not in a big bang approach with a fixed date.

It is evident from research completed on the Smart Bill on behalf of the CER and from previous research completed by Electric Ireland that customers do not like too much information being presented on the bill and a balance has to be achieved between information usefulness and overload.

Regarding requirement SBR06 (Complimentary Billing Information) Electric Ireland requests that the CER clarifies the type of 'reports' that could be requested by customers under this requirement.

### **Web interface**

There is a single 'minded to include' requirement regarding the CWI proposed in the consultation paper. Electric Ireland supports the provision of this requirement by Suppliers rather than the other two alternative delivery options proposed (by Networks only and by both Networks and Suppliers). The provision of this service as part of a Suppliers overall web service for its customers is the most economical way to deliver this service to the market. By mandating Networks to provide this service it places additional cost on the program, could lead to customer confusion regarding the service provision and interferes with the primary customer – supplier relationship. By charging the Supplier with this requirement there is the opportunity for the Supplier to be innovative, to add price information and therefore make the service more useful and tailored to the individual customer. It could also be the case that the data would be available quicker from a Supplier provided service.

Electric Ireland agree with the CER 'minded to position' on third party access in that it should be the Customer that passes the data on to the third party that they authorise to receive it.

## **Mandated IHD**

It is Electric Ireland's position that a mandatory IHD may not represent best value for money. Experience in other markets shows that IHDs are of interest to a minority of customers. Therefore a mandatory roll out to 1.7 million customers may undermine programme goals.

There may be better, future proofed solutions available to present this information to customers that the Programme needs to explore fully and as a matter of urgency. Electric Ireland recommends that such a process is undertaken prior to the next phase of the design consultation stage.

While the additional incremental efficiencies delivered by the IHD is an important component of the Programme CBA there is potential that alternative solutions could be as equally effective for the Programme. Alternatives to an IHD are emerging that were not as apparent at the time of the trial and these alternatives may provide a superior solution to an MIHD roll-out and that should be explored by the Programme.

The mandate ignores the fact that significant percentage of locations in Ireland will not allow communication between smart meter and MIHD and / or communications coverage to the smart meters from ESN.. This has not addressed within the consultation paper and we would seek clarification on its implications for the Programme..

In the case that the Commission should ultimately decide on a mandate, then the cost of delivery, operation and support should be recovered on a regulated basis, avoiding distortion of the retail market.

### Timing of MIHD rollout

Regarding the timing of the installation of the MIHD Electric Ireland feels that it is not practical to install the MIHD until the TOU tariff can be introduced. This is when it adds most value and impact. It could also be argued that to optimise the value from the MIHD that its life could be extended to beyond two years subject to a CBA analysis.

### Specifications for information requirements on the MIHD

Regarding the information requirements that the MIHD will have to display overall Electric Ireland supports the 'minded-to include' items in the paper. Based on both the trial results and research conducted on behalf of the CER to date it is very important that customers can avail of cost signals on the IHD. This is clearly a customer expectation. We would also caution the requirement for 24 months historical data on the MIHD, this could cause issues for data protection (if a COS arises) and confusion in the customers mind regarding the source of their historical data. The Programme has made a provision for the supply of this information to customer via the web interface and smart bill requirements.

#### Getting cost information onto the MIHD

The paper proposes three methods for getting cost information on to the MIHD and it is Electric Irelands opinion that none of these methods are workable. They may lead to errors in information display and ultimately consumer behaviour that could be at odds with Programme objectives. Electric Ireland would propose that smarter, more reliable and sustainable methods for getting cost and balance information (for PAYG customers) onto the MIHD should be explored by the Programme and we look forward to participating in this process.

#### Communications requirements

The Steady State Model envisages that the MIHD may be replaced by third party IHDs or through an electronic device bridged to the HAN. Electric Ireland welcomes that there is flexibility and Supplier discretion regarding what solution will be provided to best suit customers needs. E.g. App, internet, SIHD.

It is extremely important to the Programme design that the HAN is designed so that parties other than ESBN can securely and efficiently access the information that is broadcast on the HAN. The protocol adopted should facilitate a cost effective solution that, to the extent that is possible, will be compatible with emerging technologies and standards that are being developed in this area. Electric Ireland would request that a clear technical solution in this area is developed and agreed by the industry.

ESBN has the enduring responsibility for maintenance and support of the Smart Meter and Home Area Network (HAN) created by the Smart Meter. This gives ESBN primary responsibility for pairing and support of the MIHD. It also implies an ongoing support requirement for ESBN in pairing any future third party device or smart appliance with the HAN. Suppliers have no access

to the meter or HAN from a support perspective. Any roll-out that would place mandatory obligations on suppliers would be impossible to operate in practice, extremely costly and would be likely to result in an unsatisfactory outcome for the consumer.

Insofar as technical options have emerged, or may emerge, during the course of this consultation to supplement options already outlined, Electric Ireland recommends a detailed proof of concept phase, where processes and systems associated with all such options can be more rigorously evaluated for suitability over a longer term and feed in to the CBA.

## Appendix A – Consolidated List of Questions

The aim of this section is to allow for a “short-cut” option for respondents to submit their comments to the CER.

The CER invite you to complete the table to indicate your position on the questions asked in this consultation paper.

Appendix A is also available in word format on the CER website [here](#).

Please note: You are in no way obliged to respond to the questionnaire provided and are welcome to submit comments in your preferred format. When responding, please indicate which question or proposal your text refers to.

### 1. Evaluation Criteria

Question/ Proposal	Yes	No	Comments
Q1. Is there anything you would add or remove from these evaluation criteria?		N	Consistent with evaluation criteria for other papers

### 2. General questions on all requirements

Requirement	Q2a. What are the respondents' views in regards to the definition of each of the requirements below? Are there any requirements that should be dropped?	Q2b. Please provide your views on the relative impact assessment of the different options delivering each requirement in terms of the alignment to the evaluation criteria in the template table provided below.
SBR01: Energy Statement	Should remain	

Arrangements and Communication Method		
<b>SBR02:</b> Electricity and Gas Time of Use Information	Should remain	
<b>SBR03:</b> Year-on-Year Energy Usage Comparison	Should remain	
<b>SBR04:</b> Additional Contact information	Should remain, we welcome the inclusion of Suppliers discretion to ascertain the most appropriate and effective way to present this information	
<b>SBR05:</b> Hints and Tips	Should remain, again we welcome the flexibility for suppliers to provide with on the bill or via the web.	
<b>SBR06:</b> Complimentary Billing Information	Should remain but Electric Ireland seek clarification regarding the types of 'reports' that could be requested by customers under this requirement.	
<b>MIHDR01:</b> Instantaneous Active Electricity Demand (Real-Time)	Should remain	
<b>MIHDR02:</b> Up to Date Consumption Position in Time Period (Cumulative)	Should remain	
<b>MIHDR03:</b> Past Period Consumption Comparison (Historical)	This requirement is covered in CWIR01	
<b>CWIR01:</b> Access to Historical Consumption Information in a National Harmonised Format	Should remain	Supplier to provide the service, please see our response titled Web Interface
<b>MIHDR01(a):</b> Instantaneous Cost of Demand	Required	

for the Hour		
<b>MIHDR02(a):</b> Up to Date Cost Position in Time Period (Cumulative)	Required	
<b>MIHDR03(a):</b> Past Period Cost Comparison (Historical)	Not required – will be provided by Suppliers Web Interface	
<b>MIHDR04:</b> Ambient Feedback of Electricity Time of Use Tariffs	Can be useful but has been proven that it is better to have cost information available for customers to view	
<b>MIHDR05:</b> Tariff and Price Information	Required	

Question/ Proposal	Comments
<b>Q2c.</b> Are there any additional requirements that should be considered, please provide rationale and assessment?	

### 3. Questions on specific requirements

Question/ Proposal	Comments
<b>Q3.</b> What would be the least frequent level of data refresh that would be appropriate in order not to adversely affect the ability of the consumer to control their energy consumption effectively?	The industry standard used in the UK market is 6 seconds and we would support this standard for the Irish market.
<b>Q4.</b> What are the respondents' views in regards to the definition of each of the potential requirements for display of cost and price/tariff information on the MIHD?	Electric Ireland would feel that these requirements should be in the 'minded to include requirements'. Price signals are required in the customers home.
<b>Q5a.</b> What are the respondents' views in regards to the display of cost and price/tariff information on the MIHD for the options described above?	Price / tariff information is required to make it effective per trial and research results. It is a minimum expectation of consumers.
<b>Q5b.</b> Is it a viable option for consumers to be asked to update price and/or time band information?	Electric Ireland would feel that this option is not viable as it is open to human error and could be a burden for on-going price

	changes. Electric Ireland do not feel that any of the three options provided by the CER to get price information on to the MIHD are workable and that there needs to be a smarter way do this to avoid data entry errors or restrict tariff choices. We will work with industry stakeholders to explore options for this.
<b>Q5c.</b> Would it be appropriate to expect suppliers to provide an alternative device to consumers who opt for alternative tariffs?	
<b>Q6a.</b> What are the respondents' views with regards to the options for access to data for 3rd parties and the minded to position for the Customer to access and pass on this data?	Electric Ireland support the CER's minded to position regarding access to data for 3 <sup>rd</sup> parties in that it should be the Customer that passes the data on to the third party that they authorise to receive it.
<b>Q6b.</b> What are respondents' views on the options and minded to position for who is best placed to provide the national harmonised data to Customers?	Electric Ireland support the option that Suppliers provide this service to their customers as part of their web service and that there is no need to duplicate the costs by also putting the requirement on Networks companies.
<b>Q6c.</b> Are there any alternative options that should be considered, please provide rationale and assessment?	
<b>Q6d.</b> Should there be guidance or regulation on how Customers are told that they request this data (e.g. if a Customer contacts a supplier for data, should the supplier notify Customers they can get data from networks beyond start of contract and/or export data?	Our recommendation is that Suppliers provide this service to their customers and they will receive guidance on accessing the service from their Supplier.
<b>Q6e.</b> What would be the longest period that it would be appropriate for a consumer to wait to receive data through the web interface?	We feel it is too early in the Programme to specify this
<b>Q6f.</b> What would be the most appropriate national harmonised format for the data download?	We feel it is too early in the process to specify this
<b>Q7a.</b> What are the respondents' views in regards to not regulating for benchmarking at this stage, but expecting this to happen in the open market and to review and revisit this in the future?	We believe that the correct position has been adopted. The research shows that for benchmarking information to be effective (rather than become demotivational) it needs to be relevant and comparable to the customers situation and initial investigations by the Programme have shown that there is not sufficient information available to do this currently.

<b>Q7b.</b> What are the respondents' views on the presentation of micro generation information to the Consumer? What are the options?	We would support the presentation of micro generation information via a web interface
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#### 4. Questions on other policy considerations

Question/ Proposal	Comments
<b>Q8a.</b> What are your views with regard to a 2 year support period? Should the MIHD be supported for a shorter or longer period of time, to a fixed date or any alternatives? Please provide reasons.	Electric Ireland have provided full feedback on our position regarding the MIHD in the main body of our response
<b>Q8b.</b> What are your views with regard to options for supporting the provision of energy usage information within the home post the mandated support period of the MIHD?	As above
<b>Q9.</b> What are your views on the benefits to Consumers of the frequency of informative billing? Should this be 'not less' or 'not more than' per Customer type or should it be specific where smart meters are installed e.g. monthly?	Regarding billing cycles for smart bills, Electric Ireland welcomes the flexibility that this can be determined by the Supplier and ultimately by Customer demand. We would feel that billing frequencies less than bi-monthly would be very suitable for those customers that elect to receive their bill electronically and it would remain most economical to provide bi-monthly or less frequent bills for those that request paper bills.

#### 1. Data Availability and Protection

Question/ Proposal	Comments
<b>Q10a.</b> What are your views on the data protection approach set out above?	
<b>Q10b.</b> Are there any other data protection considerations CER should consider in relation to the requirements set out in section <b>Error! Reference source not found.</b> ?	

#### Evaluation criteria added for reference

Criterion	Description
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Criterion	Description
<b>Consumer Focused</b>	What are the benefits to the Customer with regard to their experience / ease of understanding / engagement & change in behaviour / uptake / rejection / failure points
<b>Consistent &amp; Integrated Solution</b>	Assessment of whether requirement is consistent with the Steady State Model and any implications of change
<b>Scalable &amp; Future-Proofed</b>	Assessment of whether requirement is scalable and will support future development, competition and innovation
<b>Cost Efficient</b>	How do the cost efficiencies compare between the outlined solution proposals for implementing the Customer Experience
<b>Irish Market Context</b>	How do the outlined requirement proposals fit in with the Irish Gas and Electricity Markets
<b>Perceived Benefit</b>	Where does the benefit lie / market / Suppliers / regulation / competition / NSMP Strategic objectives

## APPENDIX 4

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**11th October 2013**

### **Electric Ireland response to CER/13/165– Pay As You Go consultation**

Electric Ireland welcomes the opportunity to respond to the Pay As You Go (PAYG) consultation paper. This consultation paper explores PAYG in the context of the high level design described in the Steady State Model (SSM) and separately in relation to a number of Alternative Working Assumptions (AWA) also outlined in the SSM.

In our response to the SSM consultation paper Electric Ireland stated that we were broadly in support of the SSM with several caveats. After reviewing the PAYG consultation paper we do have reservations regarding the suitability of the thin prepayment model proposed by the SSM for some processes, particularly its inability to deliver real time balance information display in customers homes.

We feel that the design of the questions in Appendix A of the paper do not offer Electric Ireland the opportunity to provide our position, particularly regarding the PAYG processes, so we have provided our response in a summary format and provided answers to direct questions also.

Electric Ireland broadly supports the prepayment model set out in the Steady State Model.

Some key features that the model offers include:

- The model makes a prepayment service available to all consumers without the requirement for a meter exchange and enables seamless switching between Credit and Pay As You Go

- A common PAYG model will be used for Gas and Electricity which ensures a consistent customer experience for both.
- The model allows prepayment and credit customers to have a similar customer experience.
- The model supports the ability of suppliers to provide innovative tariffs to credit and prepay customers to meet their tailored requirements.
- The model supports a customer's primary relationship with their energy supplier
- The model leverages the existing market messaging infrastructure
- The model provides more choice and user benefits for current prepayment customers and a wider range of budget (and payment) options intended to support lifestyle customers. For example a customer can top up remotely.
- The model supports that Pay As You Go customers will not be disadvantaged in the smart world
- The model ensures that Customers shall receive reasonable warning of disconnection, of balance thresholds (with the ability to set own warning level) and of impending disconnection
- The model supports payment channels for customers without mobile or internet access
- The model is more efficient than the current prepayment models in use in the gas and electricity markets. E.g. the supplier will not be out of step with the credit balance available to the customer.
- The model is suitable for the SME market and will not restrict tailored tariffs being offered to this segment.

**However Electric Ireland has reservations regarding the SSM:**

**A. Expectations of customers regarding real time balance visibility**

Electric Ireland has prepayment metered customers in the Northern Ireland and Republic of Ireland markets and it is clear, based on customer feedback, that the thin prepayment model proposed does not meet the prepayment service expectations of some segments of the market. The expectation of those that have experience of the current prepayment model is that a

customers real time balance information will be available in their home. Neither model proposed in the consultation paper offers this for customers.

Both models put the responsibility of delivering balance information on demand or when thresholds are breached with the supplier. Options such as texting, emailing, providing apps and the internet are proposed as methods of getting balance information to customers and these may be acceptable for the majority of the market. However there is a clear expectation from the existing electricity prepayment market that a similar keypad device would be available in the home displaying real time balance information.

The CER's opinion in the paper on this issue is that there is time to educate the market on the smart prepayment solution but we would maintain that for part of the market, which arguably could include those most needing of a prepayment solution, the proposed model is not workable. There may be better, future proofed solutions available to present real time balance information to customers that the Programme needs to explore fully and Electric Ireland recommend that such a process is undertaken.(please see our submission regarding MIHD on the Presentation of Energy Usage Information paper.

For customer without mobile or internet access we would propose several options for the communication of balance and threshold information:

- a. Freephone number for balance information
- b. Via the MIHD
- c. A supplier may give the customer a basic mobile phone to receive text messages regarding their balance and thresholds.

One of the principles set out in the paper is that the mandated IHD is not required to support Pay As You Go and that Suppliers will need to consider other ways of providing credit visibility. The strong customer feedback regarding real time balance display in the home may bring this principle into question.

## **B. Real time topping up & Payment channels**

Being able to top up easily, quickly and reflected in real time on a customers balance were all expectations set out by consumers in the results of the research commissioned by the CER

Electric Ireland are unsure of how the mechanics of real time topping up will work in a smart world to ensure that payments received at top-up locations can be processed fast enough to ensure that no customers are disadvantaged by a disconnection or delayed reconnection. We are aware that real time payments with payment partners are technically possible but we need more detail on the mechanics around this process and its implications on systems.

In addition in the current prepayment model a customer controls when top ups go onto the meter and a customer can get visual recognition of this immediately however in the SSM the supplier will need to send top up recognition or balance update information to the customer. Electric Ireland are unsure how the mechanics of this process are proposed as the customers balance information in the Suppliers system will always be 24 hours behind, we therefore require more detail on the CER's expectations regarding this process.

It is also worth noting that this process is more difficult in the proposed alternative model as the customer makes top up payments using their chosen (supported) method but the supplier is required to send top up messages (each time the customer tops up their account) to the meter to refresh the amount of credit that the meter is holding.

## **FEEDBACK ON PROCESSES SET OUT IN THE PAPER**

### **1. Becoming a PAYG customer**

The proposed PAYG solution provided by the SSM improves this process. There is no requirement to have a meter exchange to avail of the PAYG service (or revert to credit mode) and there is no cost incurred by the customer in switching modes. All tariff options are available to customers regardless of their mode and there is no meter configuration required,

Electric Ireland would like to note the addition to this process of a 'unique identifier (vend code / pin) to ensure future payments are directed to the correct PAYG account. We would seek clarification regarding who will manage the issuing and tracking of these codes / PINs and how. There is no further detail available in the consultation paper.

## **2. Transferring from credit to PAYG**

Once again the SSM will improve this process for customers, the proposed process will not require complex key / keypad to top-up credit balances, a meter exchange or a visit by a meter reader to confirm the balance as is currently required. The process is confined to the customer and their supplier. The Alternative model proposed adds an additional layer of complexity as communications with the meter is required.

## **3. Topping up your balance**

The proposed model offers some improvements to the process but also takes away some elements of the existing process. On a positive note the customer will no longer need a card or need to enter a code via a keypad to top up the meter and can top up remotely using new payment channels that could be available to the customer e.g. web, ATM, text reply to a reminder to top up) depending on the channels that their supplier offer. However the main drawback is that- If disconnected, the customer is not reconnected upon insertion of the (gas) card or entry of the code via the keypad, instead the customers reconnection is reliant on payment being received by the supplier in real time and a reconnection message being issued by the supplier in real time. As already stated in our response Electric Ireland want to have a greater understanding of the mechanics of how this process will work to fully assess its impact. The Alternative model proposed has the same reliance.

## **4. Viewing your credit balance**

Electric Ireland's comments on the proposed changes to this process have been set out in our section on Reservations Regarding the Model. We do not believe that the Alternative model offers an improved position regarding balance display as 60% of meters are located outside property's under lock and key and it is therefore not a suitable way of getting balance information to prepayment customers,

## **5. Refunding credit during change of supplier**

The proposed model offers an improvement in this process for customers. The key difference between what is available today and the proposed models is the removal of the need for a visit to the property to identify any final residual credit as this will be achieved through the use of the new smart technology. The current process of determining the due balance is complex whereas in the SSM final credit calculations can be processed without reference to the meter resulting in speedier reconciliations and improved customer experience.

We would feel that AWA offers a less efficient process as the supplier would be reliant on the meter to calculate the final credit amount. It would have the same drawbacks as the current prepayment solution where the customer has the available credit at the meter position for their use. The acquiring Supplier has to assume the loss of credit balance at meter at Change of Supplier.

#### **6. Alerting when credit is running low**

The main change in this process is a move from a pre-set low credit threshold on the meter to an SMS/voice message/ email warnings being sent to the customer from their Supplier. An advantage in this approach is that the threshold warnings can be configured to customer requirements and that it aligns to future PAYG market. Again this process is more complex in the AWA as maintaining a common view of customers balance is complex and may be operationally costly. However the drawback with the process change is that SMS, voice message, email may not suit all customers.

#### **7. When credit runs out**

With the new smart metering solution Customers would be warned of their low credit balance, they will be given an estimated time as to when their credit will run out and would be disconnected once their balance is at €0 or below

The main disadvantage to the change in this process is that due to the technical restrictions on calculating the balance once per day, compared to the balance constantly updating on the

meter (in a self-managed situation) requires different methods of tracking the account balance and of keeping the customer informed.

### **8. Reconnecting your supply**

The change in this process takes away control from customers. Currently gas and electricity customers reconnect their supply by topping up and inserting their gas cards or top-up code. In the proposed model payments are processed by the supplier who calculates the customer's credit position, and once a customer is in credit then a reconnection flag is sent to the meter. There is a risk that this process could be impacted by a communications failure but SLA's with Networks and Payment channel partners should minimise this risk but we still have reservations (already outlined in our response) regarding this process.

Overall a detailed proof of concept phase (incorporating systems, process and cost impacts) now needs to be conducted around the range of proposals / new processes already on the table and which inevitably arise now as a result of this and other consultations.