

CER/15/136

National Smart Meter Programme

New Services: Time of Use/Smart PAYG

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Consultation Paper Response

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Introduction

Bord Gáis Energy welcomes this opportunity to respond to the public consultation on Empowering and Protecting Consumers.

Our customers are at the centre of our business strategy and we strive to ensure that their interests are to the fore at all times. For that reason, we embrace the protections and services laid out in the consultation paper CER/15/137.

We understand the importance of consumer participation in the national smart meter programme and lay out our suggestions here for the ways in which information services and other programme elements may assist to maximise that participation.

Information Services

Information Services are central to the success of the Smart Meter Programme. They provide the consumer with the insight needed to understand their energy usage, the areas in which that usage is high or low, how their usage compares to other similar consumers and effect of changes they make on their energy usage levels.

Smart Meters provide access to consumption data at a half hourly interval level. This is a thoughtful and sensible level of detail chosen by the CER to balance the privacy needs of consumers with their need for insight and Bord Gáis Energy's need to create engaging products and services to achieve NSMP goals. We encourage CER to continue its support for the flow of interval consumption data to us and we urge CER to continue to advocate for the importance of this data when addressing the industry and the general public.

Substantive Questions:

Question 1:

Do you have comments or suggestions for how the information provided to customers in their Smart Bill and Energy Statement could be used to support the transition to Time-of-Use Tariffs?

As consumers prepare to choose Time of Use tariffs, CER has created the concept of a Time of Use Go Active Day. In the 12 months following this date and before customers are on a smart tariff, they can benefit substantially from elements of the smart bill and HDF that

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explain their consumption patterns. This can form part of an overall engagement initiative so that consumers understand that their energy usage varies through the day and identify the times when its high or low. This prepares them to understand the impact of time based pricing and allows them an opportunity to prepare for its arrival.

Question 2:

Do you have comments on the extent to which further policy definition of the format, processes and/or timeframe for the provision of the HDF is required in this phase of work?

We believe that existing policy and design decisions explain the HDF in sufficient detail ensuring that the data within it is consistent. We think there is sufficient space in the current framework to allow for innovation and differentiation in its provision to consumers. We don't believe that further specification or policy is required therefore.

Question 3 – Do you have comments on the availability of data in the home as an effective, enduring platform for providing relevant, timely and useful information to customers? And are there any particular aspects where you consider the specification of minimum standards needs to be clarified, expanded or reduced?

We believe that the availability of data in the home will help a subset of consumers to engage with their instantaneous usage of electricity and make changes based on the understanding it provides. We think that greater benefit is achieved by combining this information with output from other appliances or information sources in the home. For that reason, we think that it is important to specify very clearly how the home-based information can be bridged to the home wifi network.

Question 4a – Do you have any comments on the most effective way to complement the enduring information channels by providing all residential customers with a display device or service (to build understanding of energy usage and cost in an initial period and to empower customers to make good choices over tariffs and services)?

To re-inforce our earlier comment, we believe that further clarification is required on how the HAN will bridge to consumer WIFI networks and devices or consumer applications that allow real-time information to be viewed in the home.

Question 4b – Please provide your views and/or evidence relevant to assessing the options presented in Section 2.4?

We believe that option C represents the most realistic option for consumers, reflects the evolving market and technology available and provides a cost-reflective information service to consumers.

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It provides flexibility for consumers who may invest a modest amount to receive insight on previous day information and with a little more investment, may receive richer, real-time information in the home.

This option offers an ESNB backstop where some suppliers do not or cannot meet their obligations regarding information services in the home.

Question 5 – Do you have any comments on how the change to retail market operation consequent to the NSMP may warrant changing the existing framework of customer protection, and how it is delivered – including any views on the materiality of the changes highlighted as potentially material in Section 3.6?

The consultation document correctly identifies the substantial protections that exist in the energy market for consumers. We fully embrace these protections and go far beyond them in many instances. On that basis, we believe that existing protections are appropriate and sufficient for consumers as they continue to a Smart Meter environment. There is a genuine risk that additional policy in this area may have negative impact, potentially reducing consumer protection or adding un-necessary cost to the consumer. Smart PAYG is an appropriate example. Allowing two consecutive negative midnight balances in the interest of consumer protection may actually harm those already enduring hardship or energy poverty.

Question 6 – Do you have any comments on the role of policy in shaping outcomes for customers who are not able or willing to participate in full in the new services and information made available through the NSMP - either as a result of technical constraints or through choices that are afforded to customers in respect of the frequency of remote data collection?

BGE believes that a distinction exists between customers who cannot participate and customers who will not participate in the NSMP.

For those who cannot participate, we look to CER to place the appropriate obligations on network operators to ensure that the Smart Meter infrastructure allows all citizens to participate as soon as possible after the commencement of rollout.

For those choosing not to participate, the choice should be cost reflective for the consumer where we have to make special provision over time for legacy billing arrangements, legal settlement against synthetic profiles, legacy communications and meter reading facilities and reduced, legacy insight for customers into their energy usage. Any decision to avoid a cost reflective choice simply burdens all consumers with the choices of a minority.