

**Smart Metering Programme Office  
Commission for Energy Regulation  
The Exchange  
Belgard Square North  
Dublin 24**

23<sup>rd</sup> September 2015

**Re: Response to Consultation CER/15/138 on Regulating the Transition Activities of Market Participants**

Dear Smart Metering Programme Office,

PrePayPower, as Ireland's largest prepay electricity provider, welcomes the opportunity to contribute to the CER's consultation on Regulating the Transition Activities of Market Participants (CER/15/138).

The paper consults not only on the form of regulation of the transition to oblige all parties to cooperate and deliver the NSMP, e.g. potential licence conditions, assurance processes, but also discusses some more detailed optimisation of the smart metering programme delivery within that framework, e.g. the formation of project plans, tailoring who gets a smart meter to realise early benefits, greater coordination between networks companies and suppliers, etc.

In relation to the first matter, PrePayPower would like to point out that under licence we are obliged to follow CER direction as it pertains to the retail market. Consequentially, we see no need for transitional licence conditions. Standard retail market assurance through IGG and GMARG processes should apply, and there should be self-assurance of internal business processes with the usual required CER approvals of bills, statements, etc., as required under a "smart-updated" Supplier Handbook.

The Single Electricity Market transitional licence condition was a fundamentally different scenario, as participants were delivering into a cross-jurisdictional market which was completely outside of the legislative and regulatory structure until the SEM Acts in 2007.

**PrePayPower therefore supports the assurance proposals in Section 5.2.4 around participant readiness (Question 4), but does not support the approach in Section 4.4 around transitional licence conditions for suppliers for the reasons given above (Question 3).**



We also believe that there is no need for a transitional licence arrangement for the Networks businesses, unless a legal review indicates a gap or indeed an effective prohibition – as two normally separate and independent regulated monopolies – in the current licences for general economic and operational coordination between GNI and ESBN. If there is such a gap, then an enduring licence condition, rather than a transitional condition, around the operation of shared smart metering infrastructure would be required.

**PrePayPower again does not support the approach in Section 4.4 around transitional licence conditions for networks businesses, but notes that there may be a need for an enduring licence condition regarding the coordination of gas and electricity retail market designs more generally, particularly in relation to the smart metering infrastructure.**

In relation to the second matter of the detail of coordination between parties, PrePayPower supports the efficient coordination of:

- GNI and ESBN during meter installation;
- GNI, ESBN and Suppliers during coordination of market testing across electricity and gas; and
- GNI, ESBN, Suppliers and the wider programme on communication strategy with customers, including what should be done at the time of meter installation.

We are not certain of the workability of focussing on early adopters or meters of a particular class within the context of having an 80% installed based in electricity by 2020. We believe the legal requirement for mass installation by 2020 would be hampered by attempting to tailor delivery household by household. If the NSMP changed to a more gradual meter replacement programme, for example, then providing the meters to those who want them would then be the obvious way to proceed. PrePayPower is assuming that the ESBN roll-out of meters will take wide geographic spread early in the installation programme. If that is not true, and there is material focus on urban vrs rural areas, for example, this should be impact assessed against individual supplier's shares of those market segments to ensure that there is no undue advantage or disadvantage conferred on any party.

Until the NSMP design is complete, including but not limited to decisions on the transitional start to:

- smart prepayment;
- the in-home presentation of information to customers;
- the management of the home-area network;
- required information security of the smart metering programme;
- support levels for the smart metering infrastructure from the networks businesses;
- and the procedural requirements of data protection,

**PrePayPower believes it will be impossible to say if the areas of potential coordination are fully enumerated (Question 1).**



Coordination between ESBN and GNI will necessarily require some coordination of meter installation plans. Creating an optimal plan implies coordination at an operational level of the installation teams, or indeed having the same installer carry out both electricity and gas installations. It could also go so far as to include explicitly shared project management costs across the two networks businesses, and shared incentive mechanisms. At its extreme, such a plan could naturally lead to a single enduring metering entity for the country across both fuels, with single responsibility for the service levels of the entire smart metering infrastructure, rather than joint partial responsibility shared by both network businesses.

**PrePayPower believes at a minimum coordination between the two networks businesses' project plans is required. Their individual plans should be brought through the NSMP governance for approval, in particular the elements which impact on suppliers should be discussed and agreed at the PMIG (Question 2).** Greater coordination to the point of merger of those projects is a matter for CER. That level of merger at a project level should also be made with a policy decision on the enduring arrangements. If merging the projects yields efficiencies for the NSMP and the consumer because of sharing of WAN and HAN, does it follow that merging the ongoing operational functions would also yield efficiencies?

This response is not confidential, and may be published in full. We welcome any queries in relation to our response.

Yours sincerely,

Cathal Fay

Chief Executive Officer

