



Commission for Energy Regulation

An Coimisiún um Rialáil Fuinnimh

CER National Smart Metering Programme
Empowering & Protecting Customers

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Abstract:

The National Smart Metering Programme (NSMP) is a plan for transforming how electricity and gas retail markets operate. Facilitated by the replacement of existing mechanical meters with new digital meters, the new systems and processes will provide customers with more accurate bills, better and more accessible information about energy consumption, and access to new tariffs and services. Consistent with maintaining a focus on delivering benefits for customers, the CER is reviewing and updating customer policy in order to be ready for these new developments.

This document focusses on a range of decisions relating to customer information and customer protection. These include how Suppliers must use data from smart meters to provide accessible, useful information to customers on energy usage and cost, how to simplify the presentation of tariffs in the context of Time-of-Use Tariffs, and how to ensure effective customer protection in the context of remote disconnection.

These Decisions complete the set of decisions that the CER has scheduled for this phase of work on the NSMP. The next stage in the process is for all Decisions made in this phase to be transposed into the existing regulatory framework. Under current plans, this process will be progressed during 2017 – as part of the integrated plan for the NSMP as a whole.

Target Audience:

This paper is for the attention of members of the public, the energy industry, customers, customer representatives and all interested parties.

Related Documents:

- NSMP documentation is available on the CER website (www.cer.ie)

Executive Summary

Smarter ways of empowering and protecting customers

The National Smart Metering Programme (NSMP) is a plan for upgrading how electricity and gas retail markets operate, in order to improve levels of service for all customers and promote greater energy efficiency.

ESB Networks (ESBN) and Gas Networks Ireland (GNI) will roll out new digital meters, and a supporting communications infrastructure, to all domestic and smaller business customers. The ability for ESBN to collect meter information and communicate with meters remotely will enable Suppliers to provide a better standard of service, and a wider choice of services. There will also be much more information readily available for consumers to help them make usage and tariff choices, and potentially save money.

These changes do not affect the CER's ongoing commitment to using its statutory powers to protect customers and promote competition, but they will affect how these objectives are pursued and delivered. The policy changes being decided on here are a complement to the CER's ongoing work on retail policy in the short to medium term. They describe how some of the existing customer protections will occur in the "smart" world and where relevant how the customer protections, including those in respect of vulnerable customers, will be amended to take account of the changes in meter technology and the retail market.

While it will be a number of years before customers see the effects of these changes, establishing clear and effective policies at an early stage demonstrates the CER's commitment to protecting the interests of consumers. It also provides regulatory certainty for current and prospective market participants.

CER Decisions

This document covers a range of issues that relate to protecting and empowering customers in the context of the changes that the NSMP will bring about. It highlights the CER's Decisions on which particular areas need to be addressed, together with supporting reasoning.

(a) Using data and information to help customers

The first area considered in this paper is provision of information to customers. The improvements to service quality and choice that the NSMP will deliver are all predicated on Suppliers and customers having quicker access to better information about energy usage and costs. An actual or estimated meter reading a few times a year will be replaced with actual half-hourly data being collected once a day, and

being made available to Suppliers the following day, and data will be available within customer premises close to real-time.

These data have the power to educate and empower consumers – and provide simple, practical information to help customers save money by using energy differently or by signing up to a new tariff. But presented in the wrong way, the data also have power to confuse and frustrate consumers, particularly given the significant increase in the volume and granularity of data that customers will have access to, once the NSMP goes live. Policy has an important role in promoting good outcomes for customers in terms of the information they receive about their energy usage and costs.

The CER has already established important principles. **First**, that all customers will receive a better, more informative bill (a “Smart Bill”) and Energy Statement. This will ensure that better data are used appropriately in routine communications from Suppliers to customers. **Second**, all customers will be able to download their consumption data history from either their Supplier or ESB Networks, for example to compare tariffs (possibly with the help of a third party, such as a tariff comparison website or broker). This is referred to as the Harmonised Data File (HDF). **Third**, near real-time data will be ‘broadcast’ for use in the home or premise.

Decision 1 – Harmonised Downloadable File (HDF) clarification

The first Decision outlined in this paper is a clarification. The CER is clarifying that the Harmonised Downloadable File (HDF) must be available on demand, and must contain information that is demonstrably “current” and could not reasonably be perceived to be unnecessarily out of date. Each customer should therefore be able to rely on all providers of HDFs (GNI, ESNB and Suppliers) taking reasonable and effective steps to keep the data up to date by refreshing the data regularly and frequently¹.

Decision 2 – Day-to-day flow of information to customers

The second Decision relates to minimum requirements for the provision of an “information service” on energy usage and cost to all residential customers, as a means of building understanding, awareness and engagement. This Decision has two component parts. The first component defines the enduring obligation on Suppliers; the second component defines a transitional role for ESNB.

In respect of the enduring obligation on electricity and gas Suppliers, the CER has decided the following. Each Supplier shall, for each residential customer and from a time aligned to the initial issuing of a Smart Bill:

¹ Further clarification of the detailed requirements may ultimately be set out in the relevant regulatory documents e.g. Supplier Handbook

- Make available a flow of frequently refreshed and updated information relevant to real-time decisions on how to use energy more efficiently & economically;
- Using up-to-date data from the relevant meter point, having regard to all available sources of data; and
- Delivered via a range of channels and media, designed to support broad use and coverage, and requiring minimal effort by the customer (or other household members with the consent of the customer).

In respect of the transitional obligation on ESNB, the CER has decided the following. ESNB shall, for each residential electricity customer:

- Make available via the customer's Supplier an In-Home Device (IHD), where technically feasible, for an introductory period of twelve months², as an option alongside the information service provided by the customer's Supplier;
- Where the IHD shall have the functionality as per the October 2014 Decision on the NSMP High Level Design, subject to ongoing work by ESNB on the technical feasibility of remote updating of tariff information on the device, and the definition of data to be made available in the home;
- The cost of providing this device shall be socialised – with the potential in due course for the CER to determine a level of rebate against the Distribution Use-of-System charges that the Supplier would otherwise be liable for, to apply in the event that a customer does not avail themselves of this choice.

Ensuring that new tariffs are easy to understand and compare

The second area considered in this paper is how to present and compare tariffs where Time-of-Use tariffing facilitated by smart meters increases the number of variables in the tariff. The ability of a customer to switch to a different supplier or tariff in order to obtain a better deal is a key mechanism for protecting and empowering customers. It enables individual customers to reduce their bills or obtain better services, and maintains competitive pressure on all Suppliers (including through the potential for new Suppliers to enter the market) to the benefit of all customers.

There are two reasons for reviewing policy in this area consequent to the NSMP. First, as a complement to the rollout of Time-of-Use Tariffs, i.e. tariffs which enable customers to save money by using electricity off-peak. Such tariffs will become increasingly available, and at some point become the norm, following the rollout of

² Or until the customer changes Supplier, if sooner.

smart meters³. Customers will need additional support to navigate Time-of-Use tariff choices, and policy has a role in influencing how this occurs. Second, there is more data available, which can be used to provide more accurate quotes and comparisons, e.g. by using a customer's own consumption data. Policy has a role in ensuring that effective, consistent use is made of these data and that the quotes and comparisons (or other use of the data) provided to customers are indeed fair and accurate.

Decision 3 – Tariff presentation and comparison

The CER has decided that change is required to the rules governing how tariffs are presented in order to accommodate Time-of-Use Tariffs, by establishing:

- A clear, customer-friendly standard “Key Information” label for the presentation for Time-of-Use Tariffs;
- A clear, customer-friendly standard “Tariff Cost Illustration” label presentation, using a common metric based on the concept of an “Annualised Cost” expressed in Euros.

This will establish some basic, “building blocks” to support customers in understanding and navigating the enhanced choices being made available. These changes would be complementary to, and form part of, the CER's ongoing work (including the current CER consultation on changes to the existing Supplier Handbook) to promote effective and competitive retail markets.

Disconnection procedures

The third area relates to the circumstances in which a customer may be disconnected for non-payment. There are already rules in place to protect customers where disconnection for non-payment is a possibility. A Supplier is required to follow a prescribed process to contact the customer, and give notice – and to agree a payment plan, and in some circumstances offer a prepayment meter, in order to avoid disconnection where this is possible. There are also prescribed circumstances in which disconnection is not appropriate, e.g. where a customer is critically dependent on electrical medical equipment at home. These protections will remain in place.

However, the final step of the process after all alternatives have been explored will operate differently as a result of smart metering – because the smart metering technology provides that the act of turning off the supply can be undertaken remotely, by sending a message to the meter, rather the requirement for a Network Technician to physically turn off the meter/ disconnect, as at present. This change, in itself, raises customer protection issues because it implies that there may be less information available about the prevailing circumstances at the premises

³ See CER/15/270 for the CER Decision on the transition to Time-of-Use Tariffs.

being disconnected at the time of disconnection than is the case currently when an ESN or GNI engineer visits a site to undertake the physical works required for a disconnection.

Decision 4 – customer protection around remote disconnection

The CER has concluded that changes to refine the existing process are required, in order to maintain a comparable level of customer protection to today, while making effective use of the technical capabilities of the smart metering infrastructure being invested in. The Decision has two component parts:

- First to facilitate an alternative to disconnection as a “last resort”, i.e. the process has reached a point where it is reasonable for the Supplier to take direct action to halt the accumulation of debt. The alternative makes use of the capability to switch the customer remotely to Pay-as-you-Go mode.
- Second, to require Suppliers to take reasonable and effective steps, including if necessary by undertaking or arranging a site visit, in circumstances where (i) a disconnection message is being sent following Supplier action to halt the further accumulation of debt, and (ii) there remains a possibility that the customer is unable to understand and handle the situation they are in.

The risk that this Decision addresses can (and should) be mitigated through the active and ongoing maintenance of records concerning customer vulnerability. Further, the process of rolling out meters (and hence visiting each premise) might represent an opportunity to validate and update the information held by the Supplier about customer vulnerability. However, it is also prudent to assume that in some cases the information relevant to identifying disconnection as inappropriate will simply not be available to the Supplier. For example, if the reasons are temporary or recent in nature.

Third party service providers

A further area relates to the role, and regulatory oversight, of third-party service providers such as price comparison sites and brokers. The NSMP will create opportunities to offer a wide range of new products and services derived from, or making use of, a customer’s data, with that customer’s consent. These would be separate to the core service of electricity or gas supply offered by a licensed electricity Supplier or gas Supplier.

While there are both risks and opportunities for customers from the increased scope for third-party service providers, at this point in time the CER is not proposing to initiate any changes to policy. The reasoning for this position is set out in this paper, together with the steps the CER proposes to take to monitor

developments – and to undertake preparatory work to facilitate effective and timely policy responses if they are justified.

Participation

The final area relates to the theme of participation, i.e. the ability of customer to access in full the new services and information made available through the NSMP. The policy objective is to maximise participation, and to ensure that policy settings are such that the consequences for individual customers of less than full participation are reasonable and proportionate. In this context, the CER recognises that less than full participation might be a consequence of choices made by an individual customer, or a consequence of technical constraints.

The Decision sets out the framework for customer choice, and how such choice might influence the services they receive, and charges they face. It also establishes some principles to guide the ongoing development of policy in this area over time, e.g. as decisions are made about the technical platform to be adopted.

Context and next steps

These Decisions complete the set of decisions that the CER has scheduled for this phase of work on the NSMP. The next stage in the process is for all Decisions made in this phase to be transposed into the existing regulatory framework and will be scheduled in line with the overall project timeline.

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1 Introduction

1.1 The National Smart Metering Programme

Overview

The National Smart Metering Programme (NSMP) is a plan for upgrading how electricity and gas retail markets operate, in order to improve levels of service for all customers. Existing mechanical meters will be replaced by new digital meters, which offer a range of new functions and services. It is similar in nature to the move from analogue to digital in the markets for communications services. It is underpinned by a set of strategic objectives that relate to a wide range of features of the energy market, and how it serves customers. The strategic objectives are set out for reference in Appendix B.

The CER's decision to rollout electricity and gas smart meters for all residential and smaller business customers was announced in July 2012. This decision was made following comprehensive customer behaviour and technology trials and cost-benefit analyses. The decision was also made in the context of the European Third Package Directive provisions for the rollout of smart meters in Member States to at least 80% of electricity customers by 2020 if there is a positive cost benefit analysis. The CER will re-run the cost benefit analysis in late 2016 with revised cost and benefit inputs, reflecting updated policy settings, in advance of confirming the design to be implemented.

The CER concluded the High Level Design for the NSMP in October 2014⁴. It is now finalising the suite of policy issues required to give practical effect to that High Level Design. This policy work forms one element of an integrated plan for the NSMP, alongside other work-streams led by ESB Networks, Gas Networks Ireland (GNI), and by electricity and gas Suppliers. There are also CER-led work-streams on Data Protection, Information Security and Customer Engagement.

How it works and what it means for customers

The NSMP reforms to the services that customers receive are facilitated by ESB Networks and Gas Networks Ireland rolling out new meters, and a supporting communications infrastructure, to all domestic and smaller business customers. This creates a technical platform for collecting detailed, accurate data, and for automating activities that currently require manual intervention and site visits.

The new technical platform and the associated changes to how retail markets operate will fundamentally change the services that customers receive, in three key ways:

⁴ CER/14/046

- First, there will be much more information available on how individual customers are using energy, and this will in turn make bills more accurate. Further, there will be flexibility in how these data are processed and presented back to customers. For example, through a display device in the home, by calling a number, by receiving a text message, voicemail or email, or by using a website or application on a mobile phone. This in turn will provide customers with a greater understanding of and control over how they use energy.
- Second, it will make accurate billing of Time-of-Use Tariffs available to all. Currently, access to tariffs which allow customers to save money by using energy at cheaper times (off-peak) requires the installation of a special meter, and is limited to a relatively small number of customers with Day/Night Metering. It also increases the potential range and flexibility of such tariffs.
- Third, it will remove the technical requirement for a site visit in order to read a meter, or to disconnect or reconnect supply through a meter. The data can be collected remotely, and the instructions can be issued to the meter remotely. Further, it will remove the need for the installation of different metering equipment for customers moving to a “Pay As You Go” tariff i.e. the smart meter will support “Pay As You Go” services.

The new platform will also improve the quality of existing services. For example, an actual meter reading will be available routinely within a few hours to calculate a bill (including for a closing bill when a customer changes Supplier). Hence, the risk of a customer being surprised by a high bill as a result of previous bills being based on estimates (or overpaying due to an inaccurate estimate that is not corrected until a later billing cycle) should be virtually removed. The new platform will also create opportunities to improve the quality of network services, and to monitor performance in respect of those services more accurately.

1.2 The purpose of this document

This Decision document focuses specifically on the role of policy in keeping customers informed and protected when the new services enabled by the NSMP go live, such that all customers are able to participate fully in the changes being implemented – thereby potentially saving money on their energy bills, while at the same time contributing to the overall efficiency and resilience of Ireland’s energy supply chain. The appropriate type and quality of information, as well as mechanisms by which that information is delivered to consumers will play an important role in delivering a positive customer experience in the NSMP and delivering the overall benefits of the NSMP.

It sets out the CER’s Decisions on where new policy needs to be introduced or existing policy updated in order to (a) ensure the additional information made

available through the NSMP reforms is used effectively to empower customers, and (b) maintain an effective, proportionate framework of customer protection in an energy market landscape which will change significantly when smart meters are installed. In some areas we also seek views on specific options for change.

This paper concludes the current phase of policy development by the CER, and complements decisions made in December 2015 on Smart Pay-as-you-Go and Time-of-Use Tariffs, and in April 2016 on Regulating the Transition Activities of Market Participants⁵.

⁵ CER/15/270, CER/15/271 and CER/16/124, respectively.

2 Customer Information – Decisions

2.1 Summary

The NSMP will transform the amount of information available to customers about how they use energy, and how much it costs. For a typical customer, actual or estimated meter readings a few times a year will be replaced with actual half-hourly data being collected once a day, every day. Policy has an important role in ensuring that this new flow of data is used in ways that protect and empower customers.

In this section we set out the CER's Decisions on what Suppliers and ESBN should be obliged to do to support the provision of information to customers about their energy usage and cost. This includes a refinement to one of the core 'building blocks' already established (the "Harmonised Download File" or HDF), and a preferred option for the "at-a-glance" types of information that has previously been anticipated to be delivered to customers through using a universal, ESBN-provided display device.

Customers having ready access to relevant, useful information is key to the success of the NSMP. Because the NSMP is a national programme affecting all customers, there is a case for common minimum standards set through regulation.

2.2 *Smart Bill and Energy Statement, and Harmonised Downloadable File (HDF)*

There are core pieces of information that a customer will receive or have available to them routinely. To some extent, these sources of information are already available to customers – but the rollout of smart metering enables them to be much richer, and more useful for customers. These are:

- **Smart Bill and Energy Statement:** to provide a periodic review of consumption and cost; act as a checkpoint for the customer at consistent intervals; and link consumption patterns directly to the customer's bill/expenditure. This can be characterised as supporting an "Armchair" form of information i.e. something requiring some effort on the part of the customer to understand and act upon.
- **Harmonised Downloadable File:** to provide access to the customer's detailed consumption history, in a relative raw form to be used as an input to more detailed investigation. This can be characterised as supporting a "Desktop" form of engagement, i.e. something requiring a reasonable amount of effort on the part of a customer (or a third party acting on behalf of a customer) to extract useful information from.

The CER concluded on the need for these building blocks for improving information provision to customers through the rollout of smart meters in its Decision of October 2014⁶.

2.2.1 Decision 1 – HDF clarification

The CER Proposed Decision in respect of the Smart Bill and Energy Statement, and Harmonised Downloadable File (HDF) is as follows:

1. The CER does not propose to amend the October 2014 Decision on the Smart Bill and Energy Statement.
2. The CER does, however, propose to add the following clarification to October 2014 Decision in respect of the Harmonised Downloadable File (HDF):
 - a. The Harmonised Downloadable File (HDF) must be available to download on demand, and must contain information that is “current” – consistent with all providers of HDFs (GNI, ESNB and Suppliers) taking reasonable and effective steps to refresh the data regularly and frequently.

2.2.2 Supporting reasoning

The context for and reasoning behind the CER’s Decision is as follows:

- The data contained in the HDF has a number of potential uses, some of which will only reveal themselves once the data are available. The CER is clear that the HDF is not to be a ‘second class’ source of data for customers (and, by extension, any parties customers want to share information with) in comparison with the data that market participants will receive daily via industry systems. The data is customers’ data and CER is of the view that it is an important principle that customers should have ready access to their data. This implies that Suppliers, ESNB and GNI should be obliged to ensure that the data available to customers are accurate and up-to-date. It would be a potential concern if the data available to a customer via this route was to be systematically more out-of-date than the information about that customer held centrally or by the customer’s Supplier. A ‘reasonable endeavours’ obligation on industry parties to refresh the data contained in the HDF within 24 hours of receiving relevant data themselves appears to represent an appropriate standard of service for customers.
- The data made available to the customer via the HDF could also be important in facilitating competition in the provision of energy-related

⁶ CER/14/046C

services, such as tariff comparisons, brokering and energy management services. The HDF data, provided with the consent of the customer, might be the means through which these products and services are provided. If the HDF data were systematically out-of-date, then competition in these products and services could be distorted. This may be a heightened risk if Energy Suppliers were providing services in competition with third parties.

- Clarifying the 2014 Decision in order to highlight the importance of the HDF being up-to-date helps to manage the risk of a poor customer experience, and the risk of distorting any emerging markets in energy-related services. This complements other steps taken, including to ensure that the harmonised format adopted by market participants supports easy and accessible use of the HDF.

2.3 The delivery of useful, “at-a-glance” information

The rollout of smart meters provides much greater flexibility in how customers receive information about their energy usage and costs. Evidence from other jurisdictions suggests that this can take many forms. For example, an application on a smart phone, a web portal, a daily email, or a device in the home (akin to the ‘energy monitors’ devices already installed and used by some, “early adopter” customers). The common characteristic is that the information is easy to access, understand and act upon “at a glance”.

In October 2014, the CER determined that all domestic customers will be offered an In Home Display, supported for a period of two years (the Mandated In Home Display, or MIHD). This was positioned as a “Kitchen Top” form of information provision, i.e. immediately visible and informative, required little effort from the customer (or, for that matter, anyone else in close proximity to the device). The objective of the MIHD was to:

- Provide customers with near ‘real-time’ information on consumption, and cost where practical and useful;
- Act as a device to assist customers in making a step to greater engagement and understanding;
- Be simple and easy to use information that can be quickly understood and used; and
- Relate to periods shorter than the billing window, to facilitate a more immediate response.

The minimum functionality of the MIHD was specified as including:

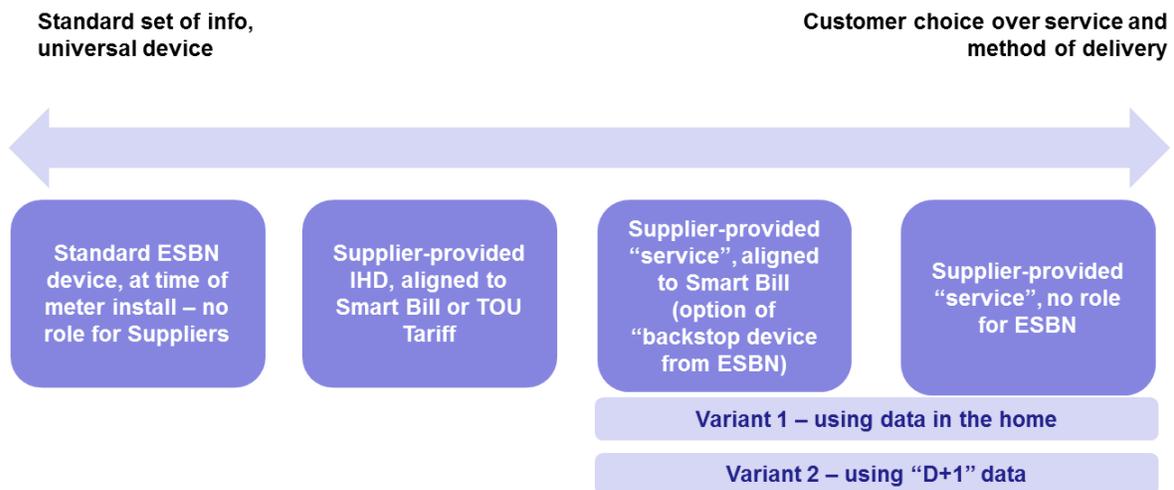
- presentation of consumption data:
 - instantaneous electricity demand; and
 - cumulative consumption for the current day, week and month.

- presentation of indicative cost information:
 - cost of instantaneous electricity demand,
 - indicative cost of current day, week and month.
- Time-of-Use Tariff bands, price information and ambient feedback.

In July 2015, the CER consulted on a range of alternative options for delivering engaging, easy-to-access, “at a glance” information to customers – including the option to re-confirm the decision of October 2014 to offer a MIHD to all residential customers.

In motivating the consideration of other options, the CER noted the rapid changes already observed in communications technology, and how all areas of Irish society are using such technology much more prevalently to access information and services. For example, the take-up of ‘smart phones’ and the growing coverage of broadband (including free access in a growing number of public areas). The July paper also noted the risk of unnecessary costs or service quality limitations being ‘baked in’ if policy decisions are technology-specific.

The options presented in the July 2015 Consultation are summarised and described below, for reference.



Option A: - “standard ESBN device, at time of meter install”

- Each customer is provided with an In Home Display (IHD) by ESBN as part of meter installation process, and the device is supported by ESBN for a period of two years;
- The provision of the In Home Display is independent of (and likely to be in advance of) the introduction of smart services (such as a Smart Bill and Energy Statement, and Time-of-Use Tariffs) by the electricity and/or gas Supplier(s).

- The costs would be recovered from the generality of customers, via Distribution Use-of-System charges.

Option B: - Supplier-provided IHD, aligned to Smart Bill or Time-of-Use Tariff

- A customer's Supplier would offer the customer an IHD, at a point in time in anticipation of or aligned to a change in the service being provided to the customer. This could be timed to coincide with the upgrade to provide a Smart Bill and Energy Statement, or the point at which the customer opts for a Time-of-Use Tariff.
- The ESNB device would be a "back-stop" for Suppliers who decided not to procure their own device. In any event, the device provided to the customer would be supported for two years.
- The ESNB 'service' of providing and supporting an IHD should have an associated, cost-reflective charge to Suppliers who opt for it as an alternative to a Supplier sourcing and providing their own device to their customers.

Options C1 and C2: - Supplier-provided "service", aligned to Smart Bill

- A Supplier would offer their customer an energy information "service", at a point in time aligned to the first Smart Bill and Energy Statement, and augmented when the customer opts for a Time-of-Use Tariff.
- The "service" could be delivered via a device provided by the Supplier, or through a route which makes use of a customer's own device (e.g. their smart phone, tablet or TV).
- There is a variant of this option (C1) which requires the minimum information service provided to the customer to make use of "near real-time" information, via the HAN.
- There is a variant of this option (C2) which requires the minimum information service provided to the customer to make use of the "previous day", with the use of near real-time information being an option driven by customer preferences and competition between Suppliers (and other third-party providers of information services).
- As with Option B, the ESNB device would be a "back-stop" for Suppliers who decided not to procure their own device, and would have an associated, cost-reflective charge.

Options D1 and D2: - Supplier-provided "service", no role for ESNB

- As Options C1 and C2, except there would be no “back-stop” ESNB device for Suppliers who have a preference not to procure their own device.

2.3.1 Decision 2 – provision of “at-a-glance information”

This Decision has two component parts. The first component defines the enduring obligation on Suppliers; the second component defines a transitional role for ESNB.

In respect of the enduring obligation on electricity and gas Suppliers, the CER has decided the following.

Each Supplier shall, for each residential customer and from a time broadly aligned to the initial issuing of a Smart Bill:

- (i) Make available a flow of frequently refreshed and updated information relevant to real-time decisions on how to use energy more efficiently & economically;
- (ii) Using up-to-date data from the relevant meter point, having regard to all available sources of data;
- (iii) Delivered via a range of channels and media, designed to support broad use and coverage, and requiring minimal effort by the customer (or other household members with the consent of the customer).

Where:

- (iv) The service provided (in whatever form) shall not have a separately identifiable charge within a tariff offering, but discounts may be offered contingent on the customer taking the service in a particular form or paying up-front for something required to receive the service in a particular form.

In respect of a transitional obligation on ESNB, the CER has decided the following.

ESNB shall, for each residential customer and from a time broadly aligned to the initial issuing of a Smart Bill:

- (i) Make available (where technically feasible) via the customer’s Supplier an In-Home Device (IHD) for an introductory period of twelve months⁷ as an option alongside the information service provided by the customer’s Supplier; and

⁷ Or until change-of-supplier, if that happens sooner

- (ii) Support the device for not less than 12 months.

Where:

- (iii) Where the IHD shall have the functionality as per the October 2014 Decision on the NSMP High Level Design, subject to ongoing work by ESNB on the technical feasibility of remote updating of tariff information on the device, and the definition of data to be made available in the home;
- (iv) The cost of providing this device shall be socialised – with the potential in due course for the CER to determine a level of rebate against the Distribution Use-of-System charges that the Supplier would otherwise be liable for, to apply in the event that a customer avails themselves of an alternative from their energy supplier.

2.3.2 Supporting reasoning

The context for and reasoning behind the CER's Decision is as follows:

- The enduring obligation on Suppliers is, in effect, a refinement on option D in the July 2015 Consultation. The choice of D1 (using near real-time data, via the HAN) or D2 (using “D+1” data) is a matter for each individual Supplier to decide upon. This is subject to the requirements of the service being met, including each Supplier having regard to all potential sources of data.
- The transitional obligation on ESNB is, in effect, a refinement of Option A. An IHD will be made available to all customers for an introductory period – but aligned to the Smart Bill, as opposed to meter install⁸. The choice will be presented alongside other choices offered by the Supplier at that point in time, but the Supplier's role is limited to making the customer aware of and facilitating the choice only.
- The Decisions confirm the principle of easy-to-access, “at a glance” information derived from the customer's own consumption data being a core part of the smart metering experience for all residential customers, rather than an ‘optional extra’. This position is consistent with the concept of the NSMP being universal in nature, rather than limited to those customers who are more engaged, IT-literate and better off. By

⁸ It should be noted that the CER's Decision does not require any new, “smart” information to be provided or made available to customers at the time of their smart meter(s) being installed. The question of how the meter installation visit could be used as an opportunity to promote understanding and engagement will be considered further in the context the NSMP work on planning the rollout and customer engagement.

targeting the objectives of the NSMP broadly, the likelihood of the potential benefits being realised in full, and equitably, is increased.

- It is appropriate to retain “at a glance” information provision because the starting position, given the objective of transforming how all customers understand and use energy, is that levels of interest and awareness are low among a large proportion of energy customers. Relying on relatively passive forms of information, such as a bimonthly bill or a data file that a customer needs to download and process, runs the risks of deferring (or delaying indefinitely) interest and engagement among many customers. A bimonthly bill is unlikely to prompt a discussion around the kitchen table. Simple, immediately-relevant information on a device in the home or an application on a smart phone telling the customer, for example, that costs during this hour of the day has increased from €20 to €30 a week over the past month is more likely to get traction.
- The CER is aware that there are a large number of relatively simple, customer-focussed devices on the market that could be used by Suppliers to provide information of interest to customers who are poorly engaged. These could act as “gateway” devices to ensure that customers start to interact with their energy supply patterns and costs. For other customers, more complex Apps or web-based services will be appropriate. The Decision supports this type of flexibility in how the information service is delivered.
- The platform for Suppliers (and others) to enable these types of information services to be delivered forms part of the investment in smart metering being made on behalf of all customers. While these types of information services might evolve as a consequence of competition between Suppliers, there is risk that the outcomes might be slower (and more partial) than an approach based on obligating all Suppliers to offer a minimum service from the start. Some customer groups, e.g. those who are not interested in shopping around to change Supplier, could miss out under a competition-led, opt-in approach.
- The Decision seeks to focus on the purpose and core content of information to be delivered to customers, and provide flexibility for Suppliers in how it is delivered. This flexibility recognises two practicalities. First, the ways in which people access and use information has changed rapidly over recent years, and might be expected to continue to change with growing proportion of customers with a smart phone and access to broadband. Second, the needs of customers will vary across different customers and over time. Flexibility over what content is provided, and how it is delivered – while also obligating Suppliers to adopt channels that promote broad usage, and to have regard to all sources of data - should increase the likelihood of

an individual customer receiving information which is relevant and engaging for them. Suppliers must make their customers aware of the different types of data which are available and the various media options for receiving and reviewing this data. This will allow customers to choose data options which are relevant, engaging and useful to them.

- The Decision to commence the information service at a time broadly aligned to the commencement of smart services for the customer is to ensure the relevant, engaging information to build awareness and prompt changes in behaviour is immediately visible from the start for all customers. The term “broadly aligned” is designed to provide flexibility to Suppliers, for example to enable the information service to be offered as soon as practicable, i.e. up to a couple of months in advance of the first Smart Bill being issued. It should be noted that allocating the role of providing the information service to Suppliers, and aligning it to the commencement of smart services from a customer perspective implies that these changes will not be experienced by the customer as part of the meter installation process.
- The Decision ensures that all customers have the initial option of an In-Home Device for an introductory period, even if their Supplier does not intend to offer separate devices on an enduring basis. An In-Home Device is the channel that requires the least effort on the part of the customer, and any other person in the household, to receive ‘at a glance’ information. It is ‘always on’, once installed – subject to a very basic level of acceptance by the customer. For some customers, having such a device provided to them might be the only way for them to benefit from the information capabilities that they are helping to pay for. In this context, the CER noted the strong support for the option of an In Home Display among some customer groups.
- The Decision to require ESNB to provide a “backstop” device service guarantees that all Suppliers discharge their own obligation to make available a device in some circumstances, which could otherwise potentially constitute a barrier to entry.
- The transitional ESNB service is incremental to its enduring role pursuant to the October 2014 Decision on the NSMP High Level Design, which states that: “...ESNB are responsible for the enduring communications infrastructure which includes the protocol/channel for data provision via the HAN, and secure pairing of devices to the electricity meter.” It therefore constitutes an extension on (for a transitional period) a set of activities that ESNB would already be undertaking pursuant to the High Level Design.

- The CER is aware of stakeholder concerns about the potential “stranded” cost of providing and supporting an In-Home Device for what might be a relatively short introductory period. However, the CER is also aware of the potential benefits lost if the capability of the infrastructure being invested in is under-used in terms of delivery of useful, relevant information on energy usage and costs to all customers. These trade-offs will be explored further as part of the re-run of the NSMP cost-benefit analysis in 2016, and through the process of ESNB providing more information on the potential capabilities of its device and its proposed delivery of its responsibility for the provision of data in the home.

3 Customer Protection – Decisions

3.1 Summary

In this section we set out the CER's Decisions on what elements of the customer protection framework need to be changed in order to address new or different risks of potential consumer detriment resulting from the NSMP, and the associated changes to how retail markets operate. The following areas are covered:

- Presenting and comparing tariffs;
- Disconnection processes
- NSMP participation
- Third Party service providers
- Forms of participation

In each area it is explained why the CER is contemplating changes, the CER's Proposed Decision on the need for and nature of required changes is set out, and where relevant the CER seeks views on the specific options. The common theme across all the issues discussed is the objective of maintaining an effective and proportionate set of customer protections which are fit-for-purpose for the manner in which retail markets will operate when the NSMP goes live.

3.2 Presenting and comparing Tariffs

The ability of a customer to switch to a different supplier or tariff in order to obtain a better deal is a key mechanism for protecting and empowering customers. It enables individual customers to reduce their bills or obtain better services, and maintains competitive pressure on all Suppliers (including through the potential for new Suppliers to enter the market) to the benefit of all customers.

In order to make decisions around switching supplier, the ability for customers to accurately compare the tariff options offered by different suppliers is of central importance. The CER is of the view that this ability should be maintained and if possible enhanced under the NSMP.

There are two reasons for reviewing policy in this area consequent to the NSMP. First, as a complement to the rollout of Time-of-Use Tariffs, i.e. tariffs which enable customers to save money by using electricity off-peak. Such tariffs will become increasingly available, and at some point become the norm, following the rollout of smart meters. Customers will need additional support to navigate Time-of-Use tariff choices, given the additional variables which will need to be considered in any price comparison. Policy has an important role in influencing how this navigation and comparison occurs. Second, there is more data available, which can be used to provide more accurate quotes and comparisons, e.g. by using a customer's own individual half hourly consumption data (compared to average profile data or non-

interval aggregated data as at present). Policy may have a role in ensuring that effective, consistent use is made of these data.

3.2.1 Decision 3 – Tariff presentation & comparison

The CER Decision in respect of the presentation of tariffs is as follows:

- (i) The rules (as set out in the Supplier Handbook) governing how tariffs must be presented by energy Suppliers need to be amended, for the purpose of supporting a clear, customer-friendly format of presentation for Time-of-Use Tariffs;
- (ii) A standard metric for use in presenting and comparing any two Time-of-Use tariffs should be developed – together with a supporting standard methodology for calculation. It should be based on the concept of an “Annualised Cost” expressed in Euros.
- (iii) The rules governing sales and marketing of tariffs should be reviewed to ensure that effective and appropriate use is made of the revised standard presentation formats and comparison metrics developed pursuant to (i) and (ii) above.

3.2.2 Supporting reasoning

The context for and reasoning behind the CER’s Decision is as follows:

- The CER notes that these Decisions may, in due course, build on changes currently being consulted on by the CER for introduction in the current tariff environment⁹. The CER will seek to ensure that these two related areas of policy are integrated and co-ordinated as far as practicable in their further development and implementation.
- The CER’s Decision on the approach to making the transition to Time-of-Use Tariffs has two key features: First, that the approach is predicated on customer choice over a range of Time-of-Use Tariffs offered by electricity Suppliers; second, that Suppliers will be obliged to support customers in making the transition to an appropriate Time-of-Use Tariff in a timely way. In this context, it is important that tariffs are presented in a manner that are inherently easy to understand and compare for all customers – because at some point all customers are going to make a choice, even if the choice is to remain on a flat-rate tariff for a period of time.

⁹ CER/16/031

- By changing the requirements on tariff presentation – and doing so with the explicit objectives of making this clearer and easier to compare for customers – the CER is supporting customers in making well-informed choices. This protects the interests of individual customers, and has the additional, desirable effect of stimulating competition in electricity retail markets.
- The existing rules for tariff presentation need to be changed because they were not developed with Time-of-Use Tariffs in mind. Time-of-Use Tariffs have, by definition, a larger number of unit rates. At the very least there will be three unit rates, and the number of rates increases significantly for tariff structures that have more time bands, or deploy different unit rates at weekends and/or during the summer months. This is in addition to standing charges and other levies on the bill. While the CER intends to review underlying fixed charges (DUoS charges), it is not possible to determine at this point if such charges can be removed or converted to a variable charge.
- The Decisions to develop standard presentation labels and a standard metric (with a supporting calculation methodology) for use in presenting and comparing tariffs is to address the risk of customer confusion. A standard metric and method of calculation seeks to address this risk by reducing discretion for Suppliers (and, where relevant, other parties) in how they present and market tariffs – such that customers will, as a starting point, be presented with a balanced, objective and simple presentation of what different tariffs might mean for them.
- Objective information about tariffs presented in a clear, standard formats will also help to mitigate against potential confusing marketing claims. Marketing on the basis of cost comparisons is more complex, and potentially more prone to misinterpretation or confusion, for Time-of-Use Tariffs. For example, a tariff might be presented as having the lowest unit rate in the market but this rate might only apply in a narrow band of time, and hence have relatively little impact on the total amount paid by the customer if they were to switch to the tariff.
- The Decision to base this standard metric around the concept of an “Annualised Cost” expressed in Euros is the CER’s current view of a concept with is inherently easy-to-understand for most customers, when compared to alternatives.

3.3.4 Basis for further work

The next stage in the process is for all Decisions made in this phase to be transposed into the existing regulatory framework. Under current plans, this

process will be progressed during 2017 – as part of the integrated plan for the NSMP as a whole.

In respect of this particular Decision:

- The CER recognises that there are a number of detailed methodological issues to address, in order to confirm the design of the standard template and comparison metric. For example, how different forms of discount or bundled offers are incorporated, and how “standard profiles” are used (and created). The CER will work closely with all interested stakeholders, including existing third parties who provide tariff comparison services, in progressing and resolving these issues.
- The primary purpose of these tools are to make tariffs as easy as possible to understand and compare, for as many consumers as possible. There is a key role for customer engagement and research as an input to the detailed design of the templates and comparison metrics. CER has already initiated work to scope relevant research in this area.
- The CER will progress work on the basis that standard forms of presentation and standard metrics will be capable of being applied to all tariffs, but will consider the possibility of exceptions or modified forms of presentation if a compelling case can be made.

3.3 Disconnection Processes

An important and sensitive area for customer protection relates to disconnection, where a customer’s account is in arrears. In the current retail market, there are already substantial rules and processes in place to protect customers where disconnection for non-payment is a possibility. A Supplier is required to follow a prescribed process to contact the customer, and give notice – and to agree a payment plan, and in some circumstances offer a prepayment meter. There are also prescribed times when disconnection may not occur (e.g. weekends and Public Holidays), and circumstances in which disconnection is not appropriate, e.g. a customer who is critically dependent on electrical medical equipment at home. These protections will remain in place.

However, the final step of the process (i.e. direct action by the Supplier to halt the accumulation of further debt) after all alternatives have been explored and will operate differently as a result of smart metering – because the act of turning off the supply can be undertaken remotely, by sending a message to the meter. This change, in itself, raises customer protection issues because it implies that there may be less information available about the prevailing circumstances at the premises being disconnected at the time of disconnection than is the case currently when an ESN or GNI engineer visits a site to undertake the physical works required for a disconnection.

3.3.1 Decision 4 - customer protection around remote disconnection

The CER has concluded that changes to refine the existing process are required, in order to maintain a comparable level of customer protection to today, while making effective use of the technical capabilities of the smart metering infrastructure being invested in. The Decision has two component parts.

The first component relates to expanding the range of unilateral actions that a Supplier may take as a last resort measure to halt the accumulation of further debt:

- (i) A Supplier may provide for a customer's account to be switched unilaterally to Smart Pay-as-You-Go mode as an alternative, "last resort" measure to halt the accumulation of debt for an account that is in arrears. This is in the event that the customer was aware of this option both over the course of the communication from the supplier to the customer to try to resolve the debt and at the time of the customer signing the terms and conditions for the tariff product.
- (ii) This alternative would be subject to the same pre-conditions and notice periods as the existing "last resort" step of manual disconnection.
- (iii) The option, if it were to be adopted by a Supplier, would need to be provided for under the terms and conditions of the customer's contract for supply of electricity and/or gas¹⁰.

The second component relates to the steps that a Supplier must take in managing the implementation of the "last resort" step if the notice period runs its course, and a remote disconnection message is sent – consequent to the customer not engaging, and (in the case of those switched to Smart Pay-as-You-Go) not topping up:

In circumstances where a "last resort" intervention has been made, the notice period has run its course and a remote disconnection message has been sent consequent to customer not engaging with the Supplier (including in the case of those switched by the Supplier to Smart Pay-as-you-Go, by not topping up):

- (i) A Supplier must take reasonable and effective steps, including if necessary by undertaking or arranging a site visit, to minimise the risk

¹⁰ Smart Pay-as-You-Go requires data to be available routinely to the Supplier every day, in order for the Midnight Balance to be calculated and communicated to the customer. The terms and conditions would need to provide for customer consent in respect of the collection of these data.

of a customer being without supply consequent to a “last resort” intervention in circumstances which are demonstrably inappropriate.

- (ii) Where a supplier is satisfied that all reasonable and effective steps have been taken (as per (i) above), the supplier can exercise their right to send the message to remotely disconnect the customer. This disconnection should be accompanied by a clear notification to the customer that they have been disconnected and the process by which they need to engage with their supplier to get reconnected. In the event that contact has not been made with the supplier within 24 hours of the disconnection and where the supplier is satisfied that the premises is not unoccupied based on the consumption profile prior to disconnection, a site visit should be organised in an attempt to observe the situation at the site.

3.3.2 Supporting reasoning

The context for and reasoning behind the CER’s Proposed Decision is as follows:

- There are a number of layers of protections for customers at risk of disconnection which will (and should) remain in place. The fact of rolling out smart meters does not change this particular aspect of policy. These protections support disconnection only as a last resort, after alternatives such as opting in to prepayment or agreeing a payment plan have been discussed with the customer and explored fully over a period of time.
- The site visit by an EBSN or GNI engineer to undertake the works required to give effect to a disconnection currently does in some circumstances provide an additional, final layer of customer protection. It represents a potential opportunity to capture and act upon information not previously available relevant to deciding whether or not disconnection is appropriate, and a point of contact to explain face-to-face what a customer might need to do to remain on supply. This could be considered to be an example of how EBSN and GNI presently discharge their legal obligation to take reasonable steps to co-operate with suppliers in identifying and protecting vulnerable customers, and where appropriate recommend to a supplier that a household customer should be added to that supplier’s Priority Services or Special Service Register¹¹.
- The ability to disconnect and reconnect a supply quickly and remotely, without the need for an EBSN or GNI engineer visiting the premises, has

¹¹ Section 4 of SI No. 463 (2011).

the potential to reduce costs and inconvenience for customers – and should be used where appropriate. The ability to get a customer back on supply quickly, and at any time of day, once the reason for a disconnection has been resolved with the Supplier is a significant service improvement and protection for customers as a result of rolling out smart meters. This capability represents an important safeguard if a customer is left without supply consequent to a “last resort” intervention in circumstances which subsequently reveal themselves to be inappropriate.

- The Decision seeks to retain the cost and customer service benefits of remote disconnection and reconnection while also protecting against the consequent risk of missing relevant information or opportunities to communicate with the customer when the ‘last resort’ of disconnection for non-payment has been reached.
- The “reasonable endeavours” obligation to take reasonable and effective steps to avoid remote disconnection (at the end of the process) in circumstances that are demonstrably inappropriate provides clear direction to Suppliers, but also provides an appropriate degree of flexibility in how this risk is managed. Further, the backstop requirement for a site visit within 24 hours of supply being remotely disconnected in circumstances where there has been no contact with the customer represents a further, proportionate level of protection in the very small number of cases that are anticipated to progress this far.
- The option of a customer being switched to Smart Pay-as-you-Go mode as an alternative “last resort” measure provides the customer with an option to remain on supply (if they top up), and results in the same outcome as under the current regime if they do not engage (i.e. cessation of supply). It also has the potential to generate information relevant to a Supplier deciding whether a site visit is warranted, e.g. evidence of topping up would indicate a degree of customer understanding and engagement.

3.4 Third Party Service Providers

The NSMP will create opportunities for Suppliers and other parties to offer a wide range of new products and services derived from, or making use of, a customer’s data, with the customer’s consent. These would be separate to the core service of electricity or gas supply offered by a licensed electricity Supplier or gas Supplier. The new products and services might include, for example:

- **Information** - to enable tariff or product comparisons; to present energy consumption data back to a customer in a particular way or through a particular channel.
- **Advice** – to identify how a customer might best adapt their energy usage given their tariff and lifestyle choices; to identify a product, tariff or service that might benefit the customer.
- **Products** – equipment and/or services to enable a customer to adapt their energy consumption (e.g. ‘smart’ appliances, automated control systems, micro-generation, storage).

These services could be provided separately, or in combination. The services could be offered by electricity or gas Suppliers, or by third-parties intermediaries. They may also potentially be offered in some circumstances by licensed network operators, i.e. where regulated service provision is deemed as necessary and appropriate.

If CER did not amend the existing framework of customer protection, then protection would be afforded through the relevant general consumer and data protection legislation, and through the framework of accreditation by the CER of price comparison sites. Further, the route for third party intermediaries to access the data required to offer or provide services would be via the customer, as is the case today. However, it is CER’s view that given the significant volume and granularity of data that will exist and the potential for various business models to emerge which offer services associated with this data, then it may over time be appropriate to build in additional, more specific protections for customers.

3.4.1 Decision 5 – Third Party Service Providers

The CER’s Decision in respect of the regulatory framework as it impacts on third party service providers is as follows:

- (i) The CER recognises the important and positive role that third party service providers can play in helping customers use energy more efficiently, and to reduce their energy costs – and the enhanced scope for such services consequent to the NSMP.
- (ii) The CER will continue to protect users of price comparison sites through its voluntary accreditation scheme, and will keep under review the merits of extending accreditation of other types of activity.
- (iii) The CER will also keep under review the option to integrate third parties into the market arrangements (and supporting regulatory framework) more directly, in response to evidence of potential customer detriment or distortion to competition.

3.4.2 Supporting reasoning

The context for and reasoning behind the CER's Decision is as follows:

- The role of third party intermediaries currently is relatively limited, and the framework of regulation (and data access) is proportionate to the scale of activity. While there is some evidence that the range and scale of energy-related products and services on offer to customers is growing (e.g. the provision of 'smart' thermostats), there is insufficient evidence at this time to warrant fundamental change to the arrangements as part of the NSMP.
- However, it is prudent to keep this issue under review – and, where necessary, develop and consult upon ways to strengthen the framework of customer protection. This reflects a number of comments received in response to the July consultation, expressing concern about potential risks to customers. It may also be relevant to examine and address differences in the arrangements through which third party intermediaries with the consent of the customer access data in practice, as compared to energy Suppliers – if there were evidence that the prevailing arrangement whereby Suppliers (or ESBN/GNI) obtain data directly from the meter or via a market message every day and third party intermediaries obtain data via the customer is having the effect of distorting or constraining competition.

3.5 Forms of participation in smart services

In this section we consider the theme of participation, i.e. the ability of customers to access in full the new services and information made available through the NSMP. The objective is to maximise participation – because this will increase the likelihood of capturing benefits for individual customers, and for society as a whole. The corollary to this objective is to ensure that policy settings are such that the consequences for individual customers of less than full participation are reasonable and proportionate.

The starting position is that smart meters are to be installed if a meter is accessible to ESBN (for electricity) or GNI (for gas) and if it is technically feasible to operate it as a smart meter once installed. Further, data will be retrieved remotely from all smart meters that are installed and operational

3.5.1 Decision 6 - Participation

The CER Decision in respect of NSMP participation is as follows:

- (i) A customer will have an ongoing choice over whether or not data from the smart meter(s) used for billing the customer are retrieved daily or

not. The alternative to remote data collection every day will be remote data collection once every two months.

- (ii) A customer who exercises the choice to have data collected less frequently than daily may have a more limited choice of Time-of-Use Tariffs, are likely not have access to Smart Pay-as-you-Go, and may receive less energy usage and cost information – commensurate with the data that are making available to ESNB, GNI and their Supplier.
- (iii) At a point in time following completion of the rollout, customers at premises where the installation and operation of a smart meter is technically feasible but where ESNB or GNI has not been granted access to replace the meter the relevant Supplier may be subject to an additional distribution charge. Any such charge would be designed to reflect the additional costs being incurred, such that the generality of customers are not disadvantaged – and would be subject to an appropriate degree of regulatory oversight.
- (iv) In circumstances where full participation is not possible due to technical constraints, then the objective of policy will be to protect affected customers by identifying and implementing pragmatic, cost-effective measures that minimise the customer impacts of any such technical constraints. The detail of any such measures will be developed in due course, based on the level of technical performance designed for and delivered post-procurement.

3.5.2 Supporting reasoning

The context for and reasoning behind the CER's Decision is as follows:

- The current market design has certain features which provide customers with a degree of choice. For example, who supplies them, what tariff they are on, and how they pay. There are other features where customers are not afforded any choice. For example, the requirement that a supply is taken through a meter, the possibility of being disconnected for non-payment, and the use of a standard profile shape to attribute wholesale electricity charges to the customer's Supplier. In effect, these measures are designed to avoid individual customers being able to 'opt out' of paying for the energy they use – thereby protecting the interests of the generality of customers.
- The Decision is the CER's view on how to strike an appropriate balance over the features that it is reasonable for customers to exercise choice over, and the features that are core to the concept of the NSMP being national programme for all customers.

- It would not be useful or appropriate to develop further the detail of how the core principles set out in the Decision are to be given effect in practice at this early stage. It is more appropriate to progress policy development once there is greater certainty over the technical platform to be deployed, and the overall approach to customer engagement.

4 Next steps

This document concludes the current phase of work on developing policy related to protecting and empowering consumers in the context of the market and service changes that the NSMP will enable. The next steps are therefore for the CER to focus on the transposition of the Decisions into the regulatory framework and to work with industry stakeholders on the successful transition to the new retail market arrangements.

Wider Policy Context

This document completes this phase of the CER's work on policy to support the NSMP. The objective of which was to have specified all the key policy settings required for successful delivery of the NSMP and effective, proportionate regulation **for customers** of the market arrangements that result.

The schedule involved four document “releases” – through the course of which issues were identified, options for resolution assessed, and decisions proposed and finalised. April 2016 is the fourth release of documents, and comprises the following:

Delivered in Document Release 4 – April 2016

Subject	Document type
Empowering and Protecting Customers	Decision
Regulating the Transition Activities of Market Participants	Decision

Appendix A – Responses to Proposed Decision

A.1 Summary

This Appendix presents an overview of the responses to the CER consultation 'Empowering & Protecting Customers' (CER/15/272) which are relevant to the Decision. The views are aggregated and the key themes that have arisen from respondents are outlined at a high level. The original responses have been published on the CER website¹².

The Proposed Decision paper was published on the 8th December 2015 and the consultation closed on 22nd January 2016. The purpose of the consultation was to seek the view of the public and CER's stakeholders with regard to whether and where further policy is required (and equally not required), as well as to ensure that customers are adequately protected and informed in light of the proposed changes through the NSMP programme.

A.1.1 Responses received

The CER would like to thank all 14 respondents to the consultation.

Responses came in a range of formats with a small number of respondents completing the questionnaire provided and others choosing to focus on specific questions or submit a response which covered content from all three December papers. The responses for the Empowering and Protecting Customers consultation paper came from a range of different respondents, as shown below.

Respondents to the individual consultation questions:

Category of response	Respondents
Retail	Electric Ireland, Prepay Power Ltd, BGE, SSE Airtricity, Energia
Networks	GNI, ESBN
Consumer organisations	Society of St Vincent de Paul, Competition and Consumer Protection Commission (CCPC)
Energy Authority	Electricity Association Ireland
Third party providers	Three Ireland, Energy Elephant
Other	MEGA, Individual consumer responses

¹² <http://www.cer.ie/electricity-gas/smart-metering/cer-papers>

A.1.2 Consideration of Responses

This Appendix describes the main consultation themes and outlines: what the consultation asked of respondents, an overview of the responses received, a discussion of the key themes that have emerged.

The seven consultation questions in the paper were:

- 1. Do you have any views on the CER's Proposed Decision to clarify policy on the Harmonised Downloadable File (HDF) to ensure that updates are incorporated (and hence made available to interested customers) in a timely manner, and frequently?*
- 2. Do you have any views on the CER's Proposed Decision for minimum standards for the provision by Suppliers of "at a glance" information to residential customers, to complement the Smart Bill and Energy Statement, and access to a Harmonised Downloadable File (HDF) of their consumption data?*
- 3. Do you have any views on the CER's Proposed Decision on the need to amend and augment the rules on the presentation of tariff information, consequent to the introduction of Time-of-Use Tariffs?*
- 4. Do you have any views on the options set out in section 3.3.4 for giving practical effect to the concept of simple labels and standard metrics to enable customers to understand and compare Time-of-Use Tariffs more easily?*
- 5. Do you have any views on the CER's Proposed Decision to amend the disconnection process in order to maintain comparable levels of customer protection in the context of disconnection (and reconnection) not requiring a site visit in order to undertake physical works following the rollout of smart meters?*
- 6. Do you have any views on the CER's Proposed Decision not to develop more extensive changes to the framework of regulation and access to data for third party intermediaries at this stage – but to keep to issue under review as party of its wider work programme on Retail Policy?*
- 7. Do you have any views on the CER's Proposed Decision on different forms of NSMP participation, and the role of policy in respect of customers who do not participate fully?*

A.1.3 Summary of key themes

The majority of respondents were supportive of the proposed approach to ensure that information made available to customer through the HDF was made available in a timely manner. Many respondents suggested however that the minimum timeframe for this update should be extended beyond the Proposed Decision timeframe.

Views on the in-home service were mixed, with a number of responses indicating a preference for the introduction of a service option as opposed to a physical device. The value and uptake of the basic In-Home device itself was questioned, citing results of the GB smart metering programme. Issues with the supplier services were raised relating to when a customer switches Supplier, with the possibility that the lack of compatibility between devices and Suppliers may act as a barrier to switching more generally.

The proposed changes to the Time-of-Use Tariff presentation and comparisons were generally supported, provided there is further clarification around how the Annualised Cost Estimate is calculated and whether several standard profiles would be required. Although one Supplier viewed the need for these measures as transitional in nature, and only needing to cover a sub-set of tariffs.

Regarding remote disconnection and reconnection of a supply point consequent to non-payment of bills, respondents suggested several alternative approaches to the proposed mandated site visit, including an automatic move to Smart PAYG and the application of the finalised Smart PAYG messaging sequence in advance of the disconnection taking place.

There was some concern around the potential of disruption by third parties and the possible need for regulation or the extension of the CER's accreditation framework. Parties were broadly supportive of the identified protections as a sufficient framework for the retail market operation but suggested further future work in risk analysis and structuring a licencing framework specifically for third parties.

A.1.4 Summary of key themes

Information made available through the Harmonised Downloadable File (HDF)

- The majority of respondents were supportive of the proposed approach to ensure that updates are made available in a timely manner but that the minimum timeframe should be extended from 24 hours to a greater amount such as 48 hours or at the request of the customer. Two respondents suggested that specific cost-benefit assessments of the proposed timeframe of 24 hours should be carried out.
- A small number of respondents stated that it is currently too early in the programme to define timings around the HDF as its role and estimated uptake levels by consumers have not been established.

In-Home information service

- Responses demonstrated broad support for the Supplier service.
- Concern was raised over the additional costs to the programme associated with the mandated device and the basic benefits of the physical device, citing uptake levels of the equivalent device in the UK.
- Some respondents suggest that a Supplier provided service may cause a barrier to customers switching supplier and subsequent compatibility

issues, highlighting the additional cost impact of such an issue to the programme.

- Regarding the rollout of the device, consumer advocacy bodies welcomed a mandated device as a key method to reach less engaged customers. A number of respondents said that the device should be limited in some form, whether this is offered alongside alternative channels, offered only to those who will be thought to benefit from it or to those who cannot access other information sources.
- More generally, one party recommended a regulatory Impact Assessment in order to demonstrate what the benefits are of data in the home options.
- Data privacy issues of the service were raised by two respondents, stating that broadcasting data in the home in a manner that allowed all household members to view it (i.e. through a device in the home) instead of the account holder alone could be a breach of Data Protection legislation as the data is personally identifiable.

Presentation and comparison of Time-of-Use Tariff information

- All responses were largely supportive of the outlined approach, recognising the importance of facilitating an accurate comparison.
- Several respondents requested clarification on how the standard profiles will be calculated for the annualised cost estimate upon sign-up. It was suggested that further work should be carried out in order to establish the profiles in more detail. It was also suggested that there should be different profiles to reflect the separate accounts such as credit and pre-payment.
- It was questioned whether all tariff types beyond the Standard Smart Tariff should be required to comply with the suggested format, including the incorporation of additional components such as online billing discounts.
- Multiple responses agreed that the Supplier Handbook should be updated in order to reflect the new format in the proposed approach. One respondent also requested that intermediary third parties also be subject to compliance with the same presentation standards. The changes to the handbook will need to be in coordination with the existing Supplier Handbook changes being consulted on this year.
- Regarding fixed charges, some responses observed that the fixed charge element should not be removed from the bill as showing the split between the fixed and variable charges serves as an accurate usage incentive.

Customer protection during disconnection and reconnection

- The majority of respondents objected to the proposed mandatory site visit, mainly due to the additional imposed cost and duplication of effort on the visiting party particularly if the customer is not present at the property. A number of alternative solutions were put forward.

- Three parties suggested an alternative move towards Pay-as-you-Go at a certain stage in the disconnection process, whether this is at an earlier stage in the debt cycle or in place of the remote disconnection. Under this approach, a certain proportion of the customer's top ups should be used towards reducing their outstanding debt.
- One respondent suggested a replication of the process from the recent Decision for Smart PAYG, including a disconnection warning 21 hours in advance and a further message on the day of the disconnection.
- Several responses emphasised the importance of the Supplier role in promoting the vulnerable customer register whether this is upon sign-up of a new customer, at the point of disconnection or on bills or other correspondence.
- Some parties suggested alternative parties (other than the network companies) should be responsible for the site visit including a suitably trained non-technician role, either to be resourced by the Supplier or Supplier agents. It was argued that Network employees are not best placed to carry out the final suitability assessment for the disconnection to proceed and two respondents believe it would exacerbate the existing reliance issues between Network companies and Suppliers.
- One response drew attention to the existing procedure required under the Energy Engage Code, to which a number of programme Suppliers are voluntary signatories.

Regulation of Third party intermediaries

- There was broad but not universal support for the proposal to continue to monitor the role of third parties in the market, but to not take action in defining this framework further at this point.
- One respondent stated that the same high level consumer protection principles should be applied for Third parties as are applied for Suppliers.
- At a suitable point in the policy position formation process the CER are recommended to consider the costs and barriers to competition in more detail and resulting benefits from the new market competition, questioning whether these have been more widely established.

Non-full participation and the associated costs

- Some support for the Proposed Decision however the mandated universal rollout was questioned in some cases.
- The importance of the ability to opt-out of smart meter installation and half hourly data provision were highlighted. A maximum limit was also suggested for the number of occasions within a set time period that a customer can opt-out in order to avoid a debt overhang in the market, for example once per year.

- It was suggested that messaging must be made clear to the consumer that opting-out of data provision will result in a poorer level of service – for example estimated bill and access to fewer smart services.
- Several clarification questions were asked relating to the surcharge: how it is calculated, when it will apply for, how the Supplier will be informed of it and how opt-outs for technical versus non-technical reasons will be differentiated.
- Regarding the targeted 100% roll-out, one response highlighted that additional options should be considered in advance of the update of the CBA due later this year and to further consider the reasons favouring a full roll-out.

Appendix B – NSMP strategic objectives

The NSMP has the following strategic objectives (which apply to both electricity and gas unless stated otherwise):

1. **Encourage Energy Efficiency** - encourage end-use energy efficiency via enhanced information and pricing signals, resulting in reductions in overall energy usage and thus reduced emissions of carbon dioxide, nitrogen oxides and sulphur oxides as a measure to combat climate change and reduce pollution.
2. **Facilitate Peak Load Management (electricity only)** - reduce demand for peak electrical power, with consequential electricity generation savings and improved security of supply. This can be achieved via pricing signals such as ToU tariffs, where the price of electricity varies at different times of the day to reflect the changes in the costs of producing electricity. Other options include automated demand side management and direct load control (via aggregators).
3. **Support Renewable and Micro Generation (electricity only)** - assist in achieving of Ireland's stated national targets for renewable electricity generation (40% by 2020) by facilitating demand response solutions that will complement increasing levels of intermittent wind generation on the electricity system. And to facilitate the wider take up of micro generation.
4. **Enhance Competition and Improve Customer Experience** - support more timely and efficient change of Supplier process for customers, and promote competition by enabling Suppliers to offer customers:
 - a) Accurate billing;
 - b) Accurate, detailed and more frequent information on their energy consumption and costs;
 - c) More innovative products to support the efficient use of electricity (balanced by the need to protect customers from a proliferation of complex tariff products leading to confusion); and
 - d) A more diverse service offering to customers from Suppliers including in the area of prepayment product offerings.
5. **Improve Network Services** - improve services to customers, particularly in areas such as meter reading, fault monitoring and electrical power quality. Significantly improve theft prevention and measure losses more accurately.

These objectives have been used as guiding principles in the decision making throughout the programme.