

Intellect submission to Ofgem

Smart Metering Implementation Programme: A Consultation on Phase 1

January 2010

Introduction

Intellect is the trade association for the technology industry in the UK. Intellect represents over 750 members from large multinationals to niche SMEs, across the information technology (IT), telecommunications and electronics sectors.

Intellect's membership includes providers of IT software and services, telecommunications, consumer electronics, consultancy, system integrators and meter manufacturers. This response represents the views of these members.

Intellect welcomes the opportunity to respond to Ofgem's consultation and has made a number of recommendations that we believe would improve the roll-out process.

Intellect believes that technology solutions for the roll-out exist; however, greater clarity continues to be needed around the precise timetable of the roll-out and timelines for progression. Clear structures, such as which standards will be mandated, where ultimate accountability will lie and how the project will be trialled, need to be set out as soon as possible.

The following issues therefore need to be addressed:

- The publication of clear timescales to enable industry to develop solutions in time
- Further details of the governance structure being established, and particular aspects such as the design and specification of meters, both gas and electricity, the communications architecture, and the communications protocols
- The standardisation process
- The security architecture
- Appropriate and effective trialling of the technology
- Specific timescales for engaging the community and an information/awareness campaign.

Response

What are the priorities and key decisions for Phase 1?

- Ofgem's early focus should be on actively trialling some of the concepts and technologies being offered before proceeding with the full planning exercise. This should include reviewing what has already been done both nationally and internationally and noting the successes/failures and lessons learned.
- Many stakeholders, including Intellect, would actively support the initiation of specific technology or solution trials to enable early assessment of viability and evaluation of real-world pros/cons, such that a true appreciation of options could be made before any tender process.
- There will not be enough time to do this afterwards without significantly delaying the whole process, and therefore it is likely that options would be limited to only the most-established (and therefore most antiquated) options.
- The choice of technology is also materially inter-dependent with other aspects such as deployment model and functional capability, and should not be an afterthought. It must support existing policy initiatives as well as being 'future proofed'.
- There is a need to understand the communications requirement in Phase 1 and ensure greater clarity. There has been a lot of effort on the shape of the communications system, who might run it and so forth but not much on what it will actually do. It is therefore important to focus on practical benefits, not ideals.
- The communications network should be fit for and affordable for other purposes and not just smart meters, as meters are not an end in themselves.
- At present, only a minority of the population (consumers) are actively engaged with the program and the environmental protection agenda – consumers must be actively engaged and incentivised to support the roll-out.
- Central Communications Provider network requirements, particularly those related to Smart Grid, need to be identified early so as to allow technology suppliers to identify the best approach.
- HAN standards need to be announced early to allow the industry to start developing appropriate offerings ready for 2012.

Have your organisation's views changed in light of the Government response?

- Greater clarity and further detail continue to be required regarding the roll-out. This includes a specific timetable and further detailed allocation of responsibilities such as data ownership and security, and standardisation. Accountability needs to be established and the promised supplier flexibility must be ensured. To this end, it is imperative that two-way communication with the industry be maintained.
- In light of the model chosen, and to meet the logistical challenges, it will be imperative for Ofgem to show strong leadership and engagement while plans are developing for a clear vision and route-map with stakeholder agreement. This could include the production of a prospectus to provide a robust foundation for phases 2 and 3.

Conclusion

Intellect broadly agrees with the proposals laid out by Ofgem in this briefing. In particular, Intellect recommends that:

- A **clear, detailed timetable** continues to be worked towards and published, indicating the major milestones of the roll-out, and dates when key decisions will be made.
- The **requirements of the DNOs** are taken into account as far as possible, in order to enable the development of the smart grid. Similarly, Ofgem and the Government should engage with other industries, such as the consumer electronics industry, to ensure that opportunities for progress towards smart homes are maximised.
- Ofgem consider carefully the **data security, data ownership and data access issues**.
- Progress be accelerated on the development of **meter and communication standards and specifications** with increased engagement of stakeholders with relevant experience and expertise.
- **Best practice** and similar large-scale initiatives, nationally and internationally, be studied to ensure that lessons are taken on board.
- The results and progress of the **EDRP trials** be published more regularly and fully, in order to help inform both Ofgem and the Government's thinking on these issues, but also enable the industry to learn from these experiences and adapt its offering

We look forward to a continued dialogue with Ofgem.

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