National Energy Action (NEA) response to Delivering a Smart System: Consultation on a Smart Meter Policy Framework post 2020

About National Energy Action (NEA) and our work to support the smart meter rollout

NEA[1] works across England, Wales and Northern Ireland to ensure that everyone in the UK[2] can afford to live in a warm, dry home. To achieve this, we aim to improve access to energy and debt advice, provide training, support energy efficiency policies, local projects and co-ordinate other related services which can help change lives.

NEA has a long-standing interest in smart meters and their roll-out in Great Britain and Northern Ireland, particularly with regard to their impact on vulnerable consumers. NEA believes that smart metering has the potential to provide real benefits for vulnerable and low-income householders, but only if these individuals are effectively engaged and supported throughout their smart meter journey. We have carried out the following research to inform the smart metering programme:

2013: Smart for All: Understanding Consumer Vulnerability During the Experience of Smart Meter Installation: NEA for DECC and Consumer Focus.

This report for UK Government was one of the first to look at consumer vulnerability during the experience of smart meter installation and provide recommendations on how to optimise the vulnerable customer smart meter journey. Following phase one, NEA was commissioned to examine more closely the support needs of vulnerable and low-income consumers that specifically relate to enabling and sustaining engagement with smart meters and in-home displays to maximise potential benefits. Fieldwork for the second phase of research took place during March 2013 and involved thirty-three participants from across the North East of England, Merseyside, East Midlands and London. The research adopted a qualitative approach and involved twenty-five in-depth interviews, predominantly by telephone and two focus groups.[3]

2014: Developing an Extra Help Scheme for Vulnerable Smart Meters Customers[4]: NEA for Citizens Advice.

This research looked at how suppliers and other stakeholders can help vulnerable consumers through the smart meter change. The rich detail of this research aimed to help delivery partners shape their plans; answering questions such as how to define vulnerability, the importance of choice, and the role of different communication channels.

2015 – 2018: SMART-UP[5]

This was an EU- funded project running across five countries. NEAs study sought to understand the impact tailored energy advice can have on the active use of a smart meter and in-home display (IHD) to manage energy consumption in vulnerable households.

Our research demonstrated that smart meters can benefit vulnerable and low-income households – but in most cases this requires additional support and advice. The study found that providing advice and support was successful in enabling vulnerable households to engage and understand their smart meter and in-home display, and with increasing the range of purposes for which people used them, as well as the frequencies with which tasks were carried out. Following the interventions householders were much more likely to use their smart meters and accompanying smart energy displays to undertake activities such as checking how much electricity they were using and setting budgets, and there were increases in the percentage of householders who were also making changes to how they used energy at home.

As well as our policy and research work, NEA has been involved in supporting the practical delivery of the programme:

2015 – 2018: Energywise[6]

NEA was a partner on the UK Power Networks-led project energywise; exploring how fuel poor customers can benefit from a smart meter and participate in energy saving and demand side response opportunities. The project successfully installed 230 credit smart meters and 93 prepayment smart meters in the homes of 323 social housing tenants living in the deprived borough of Tower Hamlets in East London. In targeting this group, the project generated valuable learnings on how to engage and support energy consumers identified by previous research as vulnerable to realising benefits from their smart meter and in-home display. Specifically: low income households, social housing tenants, prepayment meter consumers and those who do not speak English proficiently.

2016 – ongoing: Smart Energy GB in Communities

NEA, alongside our sister fuel poverty charity, Energy Action Scotland, leads part of Smart Energy GB's partnerships programme working at local and regional level with trusted intermediaries to engage people who might otherwise experience a barrier to engaging with the smart meter rollout. Activities include smart meter training to upskill advisors, grant funding for projects and free resources to support engagement activities. NEA's smart meter training aims to ensure advisors are confident and equipped to answer their client's queries about smart meters. Since the 'In Communities' programme commenced, NEA has developed and delivered smart meter training to 1,751 frontline professionals/volunteers who in turn have gone on to support thousands of vulnerable householders across Great Britain. Also, since 2016, a total of 300 large and small grants have been awarded to trusted partners, stimulating smart meter activities at a local and regional level, as well as demonstrating the positive and meaningful impact of direct, face-to-face engagement with vulnerable consumers.

NEA also continues to participate in the Consumer Reference Group (CRG); a forum set up by the Department of Business, Energy and Industrial Strategy (BEIS) under the Smart Metering Implementation Programme to provide advice and, where appropriate, solutions to mitigate consumer journey challenges arising from consumer experiences in the smart meter roll-out.

Summary of our views on the progress of the rollout to date

In response to the NAO's report[7] last year on smart meters we highlighted our concern that the smart meter roll-out is now significantly back-loaded. This means that most households have less opportunity to enjoy the benefits of smart (and any resulting financial savings) in the years up to 2024. The delay to mass deployment undermines the realisation of the benefits of the programme which still assumes cumulative benefits accruing year on year.

Since its inception in September 2013, NEA has welcomed the centralised consumer engagement that has been driven by Smart Energy GB. Their approach has helped ensure the rollout has used a variety of communications channels to provide a consistent and engaging message of the benefits of the rollout. Whilst NEA continues to work closely with Smart Energy GB, via the Smart Energy GB in Communities Programme to enable, encourage and support community groups to spread the word about smart, if there is a large delay between consumers being engaged by Smart Energy GB's mass marketing (or through our joint work via the SEGB in Communities programme) and when customers can expect to receive a smart meter, NEA are concerned this lag will cause many people to become disengaged from the initiative or reduce access rates which could increase the cost of the programme.

The extent of back-loading is a particular concern for low-income and vulnerable households who will need additional levels of support to benefit equally from the programme; with help to engage with marketing messages; understand how their new meter and In Home Display (IHD) work; and fully understand the opportunities (and any risks) for allowing a supplier to access their half hourly usage data. It is unfortunate that the back-loading of installations has led to a need to extend the deadline, further delaying these benefits to the most vulnerable consumers. The proposals within the consultation also create the following concerns about the rollout:

- The rollout will likely lose momentum through an extension of the deadline, meaning that households have to wait longer to receive the benefits of the rollout that they have already contributed towards through bills.
- Although we are pleased that milestones have been proposed alongside the extension, they must be binding and transparent so that suppliers can be held to account. The framework that exists after the end of 2020 must provide enough clarity for the industry to make the decisions required to maintain momentum and deliver a market-wide rollout in a timely manner.
- Without a greater focus on engaging the hardest to reach customers, they will be the last to receive a smart meter, and may not receive a smart meter at all if the proposed 85% is deemed 'close enough' to a full rollout. This would not be acceptable, as it will result in fuel poor households having paid disproportionately more than other households (compared to their income), without seeing the benefit. Many charities have expertise in reaching such customers and so we believe that this will require closer relationships between suppliers and the third sector. Specifically, sharing of regional data, for example the regions that suppliers are targeting, would be useful so that other organisations can better align their engagement efforts.
- In order to give the most vulnerable households the best experience of a smart meter, and to ensure that they have the best chance of maximising the benefits of having one, frontline advisers need better training in giving tailored advice, being able to answer their client's questions, myth-bust and support the use of the in-home display as a tool to monitor and potentially reduce or make better use of their energy consumption.

In spite of these concerns, NEA is sympathetic to the reasoning of extending the smart meter deadline to 2024. The proposed extension will help to guard against suppliers rushing to install meters in homes without the engagement that is dearly needed to ensure that vulnerable consumers can get the maximum benefit.

The need for bespoke support to realise the benefits of smart continues

As noted above, the extent of back-loading is a particular concern for low income and vulnerable households who, from our experience and evidence need additional levels of support to:

- Benefit equally from the programme;
- Engage with marketing messages;
- Understand how their new meter and In-Home Display (IHD) work; and
- Fully understand the opportunities (and any risks) for allowing a supplier to access their half hourly usage data.

In addition to extending the deadline of the rollout, BEIS must act to prioritise certain sets of consumers in the next phase. This issue is particularly acute for PPM customers. NEA had hoped that by now the benefits of smart 'pay as you go' would be a major success of the rollout and due to the reduced cost to serve these customers, suppliers would be now coming forward with cheaper tariffs for PPM customers. This outcome has not materialised, and as of September 2019, only 7,000 SMETS 2 meters were in prepayment mode[8].

These households have potentially the most to gain from the installation of a smart meter. Through smart prepay tariffs, customers will have the ability to top-up online, meaning that there is less chance of long periods of self-disconnection occurring due to forgetfulness (perhaps due to a medical condition), or where mobility issues mean that the customer finds it difficult to get to a place where they can top up, or even to access the meter in their own home.

More than 100,000 prepayment customers self-disconnect each year due to affordability issues, leading to dangerously cold homes. If suppliers were better able to monitor prepayment meter usage through smart meter data, they could do more to support those customers with a high propensity to self-disconnect. Additionally, in their investigation into the energy market, the CMA identified a significant detriment in the market for prepayment customers, which they believed could be resolved through the smart meter rollout, presenting the prepayment price cap as an interim measure. In order to avoid the detriment arising again, it is key that the rollout for prepayment customers is prioritised, and that the prepayment price cap is extended to such a date when this has been achieved.

Therefore, NEA has stressed:

- It is not clear what rationale there is for allowing suppliers to pass smart metering costs through to these customers, via the new reformed PPM Cap, without any immediate prospect that they will benefit from a new smart meter or cheaper tariffs.

- To realise the huge benefits for PPM customers of smart PPM will require a discrete and deliberate focus, which is currently not evident.

Enrolment of SMETS 1 meters into DCC

NEA is concerned at the slow progress in establishing the DCC and in migrating SMETS 1 meters into the DCC. In the recent BEIS committee oral evidence session, it was noted that only 4,500 SMETS 1 meters had been enrolled to date, with around 14 million more to go. Households whose SMETS 1 meters have not yet been enrolled into the DCC will require bespoke messaging to explain why enrolment is happening and to communicate the benefits of being enrolled. If this is not done sufficiently, it could lead to significant confusion as smart meters are enrolled into the DCC, and to the benefits of enrolment not being realised. There remains a persistent negativity in the media about the challenges of switching with a SMETS1 meter as well as other on-going technical issues, and all efforts should be put into progressing the enrolment of these meters as soon as practicable. We believe that all meters should be able to be enrolled into the DCC and that no customer should be disadvantaged if their meter cannot be enrolled. The DCC's proposed 'interoperability checker' will help with this, providing useful intelligence to Citizens Advice advisors on when a meter has been enrolled.

Addressing a lack of publically available information about suppliers' rollout plans

Whilst Ofgem have an excellent understanding of the rollout plans for the larger energy companies, NEA doesn't currently believe that this extends to smaller suppliers. Additionally, there is nothing to ensure that these plans for a Government mandated infrastructure scheme, funded through bills, are published in the public domain for scrutiny. This means that consumers don't know when they should be able to get a smart meter from their supplier, despite the fact they are paying for the programme. NEA therefore believes that it is imperative for a summary of these plans to be in the public domain and stress that this should, in particular, include a summary of rollout plans for smart prepayment and more generally, how vulnerable customers are being engaged.

Enforcement of the rollout

NEA also continue to have concerns about the extent of Ofgem's monitoring and enforcement of the minimum standards introduced under the Smart Meter Installation Code of Practice (SMICOP), which is fundamental to the success of the roll-out and the protection of consumers. Ofgem should set out how they are adequately monitoring these requirements across all suppliers, especially given the increasing number of smaller suppliers. Particular attention needs to be focused on the provision of providing tailored energy efficiency advice in a way which resonates with consumers. Materials should be tailored and provided to the householder in an appropriate format. This is crucial for customers that are not able to digest mainstream leaflets/literature. Information on how to use and benefit from the smart meter should be tailored to meet different customer needs, for example, provided in easy-read format or for D/deaf consumers a video with British Sign Language.

Condemning unsafe appliances

Finally, as smart meter engineers visit homes, they are required to turn off any unsafe gas or electrical appliances as part of the roll-out. Whilst it is very welcome that qualified engineers condemn unsafe appliances, this risk to health and safety can be replaced by another as there is very limited standardised guidance on what support is available to fix or replace these appliances in low income homes.

Tailored support for vulnerable consumers

Whilst the development of an accessible in-home display (AIHD) has been welcomed by NEA, a concern remains that deployment of this technology is yet to be mainstream or consistent. Consumers with dexterity or visual issues would significantly benefit from the enhanced functionality provided by the AIHD and a clear protocol needs to be established on when consumers will be able to access these devices and how suppliers plan to make them available to new as well as existing smart meter users.

Our response to this consultation

Question 1 - Do you agree that there is a need for an overarching obligation for energy suppliers to continue the rollout of smart meters, in addition to the New and Replacement Obligation (NRO)? Please give reasons for your answer.

We agree with the statement made by the Government in the consultation that "solely relying on the New and Replacement Obligation (NRO) implemented on 30 June 2019 would be insufficient to deliver a market-wide rollout in a timely manner that supports the transition to a smart energy system". Delivering smart meters to around 7% of the remaining "non-smart" population each year, would be unacceptable, reaching a coverage level of 85% by 2031. Without an overarching obligation, it is likely that the hardest to reach households, who are much more likely to have one or more vulnerabilities (and are also paying for the rollout), may not be able to access the benefits of smart meters for more than a decade.

Question 2 - Do you agree with our conclusion that extending the existing "ARS" obligation would not deliver market-wide rollout in a timely manner consistent with wider Government objectives, in particular the long-term ambition of net zero greenhouse gas emissions by 2050? Please give reasons for your answer.

We agree. The ARS approach is no longer fit for purpose, and the proposed milestone approach would give a much-needed structure to the obligation, ensuring a more consistent rollout up to 2024. It is vital that all delivery parties to the rollout are given long-term clarity about the nature and scale of the task. Milestones must be clear, binding and deliverable in order for them to be meaningful. If the milestones do not satisfy these three requirements, then there is a real risk that they are ignored, or at a later date redacted. If they are done right, then industry will be given a clear signal to make the decisions needed to maintain momentum and deliver a market-wide rollout in a timely and cost-effective manner.

It is crucial that the milestones are enforced for all suppliers, irrespective of their size, where any voluntary donations that come as a result of fines could go towards helping fund the work to improve access to the programme for hard to reach groups. The Fuel Poverty Strategy is an excellent example of where milestones that are not legally binding (working towards a legally binding target) do not lead to the required action to move towards a final target. It is crucial that milestones have 'teeth', so that suppliers can take appropriate action to meet them. Without this, there is a high risk of missing milestones, and needing to push the target back further once again.

Question 3 - The obligation proposes a monitoring framework with binding pre-set annual milestones for four years (from 2021 to 2024). Do you agree with this time period? If not, we would welcome your views on alternative time periods. Please provide evidence to support your answer

NEA agrees with the proposals around the timing of the milestones.

Question 4 - Do you agree with our assessment that an 85% minimum coverage at the end of the framework period is achievable? Please provide evidence to support your answer

We agree that an 85% minimum coverage is achievable in the framework period if the technical issues can be overcome in a timely manner (ideally by the end of 2020), and the following actions are taken:

- A greater focus on engaging vulnerable and hard to reach customers. These represent a significant proportion[9] of the population, who will need to benefit from bespoke messaging about the benefits of smart if they are to want to accept a smart meter and help ensure this minimum coverage is to be met. As noted in response to question 15, achieving this outcome could be done in a number of ways including extending work via the existing Smart Energy GB in Communities Programme as well as closer relationships between individual suppliers and national and local organisations who have trusted relationships with hard to reach customers. As noted above, this activity should be supported by there being greater visibility of the rollout plans of all suppliers so local and national organisations are able to give more bespoke advice to customers about when they should be able to get a smart meter from their supplier. This is a particularly urgent priority for suppliers plans to rollout smart PPM. In addition, sharing of regional data, for example the regions that suppliers are targeting, would be useful so that other organisations can better focus their engagement efforts.
- In order to give the most vulnerable households the best experience of a smart meter, and to ensure that they have the best chance of maximising the benefits of having one, frontline advisers also need better training so they can provide adequate advice and support to their clients.
- We are also not fully satisfied that the SMICOP obligation has been adequately enforced by Ofgem, with suppliers still unable to meet the 80% threshold of giving energy advice to recipients of smart meters.

Without urgently taking steps to address these concerns, the 15% of households who may not receive a smart meter at the end of 2024, could overwhelmingly be made up of vulnerable customers. This would not only result in these customers continuing to not have access to the benefits of smart meters (or the range of functionality they may provide in the smart future), but they will face an unacceptable outcome where they have sponsored a policy for over ten years which hasn't benefited them and will lead them to pay increasing amounts towards the growing legacy cost of the old analogue meters. In this instance, at a minimum, there would need to be a mechanism to compensate these customers for having paid towards the rollout without having received any of the benefit from it. Whilst NEA have not considered this issue in detail, this compensation could be delivered via a similar mechanism previously existing in the form of the 'Government Electricity Rebate'[10].

Question 5 - Do you agree with the application of permitted tolerance in stages, growing in a straight line to the final year of the monitoring framework? We would welcome your views on alternative methods to apply tolerance around the annual milestones. Please support your answer with relevant information.

A key principle underpinning the idea of annual milestones should be that they are clear, binding and achievable targets. It does not make sense that that the rollout will continue in a straight line. As eligibility improves when technological challenges are overcome, and as new policy incentives take effect, this will support conversion of new groups of consumers; but this, as well as suppliers tackling issues in their operational fulfilment approaches will not likely see simple linear results. Tolerance should be applied in a way that incentivises early action on installing smart meters – provided that the issues with technology we refer to in section one of this response are overcome in a timely way.

Question 6 - Do you agree that pre-defined annual milestones will facilitate the progress towards rollout completion? Please give reasons for your answer

Yes. Establishing the principle of annual milestones against which progress can be measured, is a vital part of supporting momentum to the next stage of the rollout. Transparency of progress towards these milestones will be key in order to hold the process to account.

Question 7 - Do you agree with the proposal that "customer churn" – arising from consumers switching energy suppliers- should be accounted in energy suppliers' pre-set annual milestones? Please give reasons for your answer.

We are comfortable with this proposal on the condition that when the rollout is considered in total, it does not reduce the overall number of smart meters to be installed for each milestone, and therefore detract from the overall momentum of the rollout.

Question 8 - Do you agree with the proposal that any post 2020 obligation should be applied to all energy suppliers regardless of size and date of entry into the market? Please give reasons for your answer.

Yes, we agree with this proposal. The energy market has more than 50 participants, with market entrants continuing and as well as exits from the market. In order for the rollout to be successful each supplier should carry the new obligation, otherwise thousands, if not millions, of customers could miss out on being offered a smart meter. All obligated suppliers should need to publish a summary of their plans surrounding the rollout into the public domain, in order to allow proper scrutiny of their part of a Government mandated, and customer funded, infrastructure project.

Question 9 - Do you agree with the proposal of a mid-point review to revisit tolerance levels within the monitoring framework period in line with market conditions?

a. If the answer is yes, when do you think will be the best time for this review?

If the answer is no, please explain why not.

Yes, we agree with the mid-point review. This should include an assessment of both the tolerance levels and the monitoring framework. It should be completed in order for the recommendations to be implemented at the mid-point of the post 2020 framework. This means conducting the review before the end of 2021, for implementation in 2022. If it takes place later, there is a risk that its impact is limited, and further delay may be necessary.

Question 10 - Do you agree that the legal drafting in Annex 1 implements the policy intention proposed in this consultation? Please give reasons for your answer

Question 11 - Do you agree with the legal drafting in Annex 2 in relation to the post 2020 reporting requirements on rollout information to be provided to the Secretary of State? Please give reasons for your answer

Question 12 - Do you agree with the legal drafting in Annex 6 setting out proposed consequential changes to existing licence conditions as a result of the previous amendments? Please give reasons for your answer

Question 13 - Do you agree with the proposed changes to DCC charging arrangements in the period after end-2020? Please give reasons for your answer.

Question 14 - Do you agree that the legal drafting in Annex 3 implements the policy intention? Please give reasons for your answer

NEA does not have the legal expertise to give answers to questions 10 to 14

Question 15 - What types of co-ordinated consumer engagement activities are necessary in the period after 2020 to support delivery of a market-wide rollout? Please provide your rationale to support your suggestions

As noted in the introduction, since its inception in September 2013, NEA has welcomed the centralised consumer engagement that has been driven by Smart Energy GB. Their approach has helped ensure the rollout has used a variety of communications channels to provide a consistent and engaging message of the benefits of the rollout.

NEA continues to work closely with Smart Energy GB, via the Smart Energy GB in Communities Programme to enable, encourage, address concerns and support community groups to spread the word about smart meters and the associated benefits. Our work with Smart Energy GB has led to the following evidence on the effectiveness of direct engagement with vulnerable customers by trusted intermediaries:

- Since 2016, the programme has been subject to robust monitoring and evaluation and has consistently demonstrated that direct engagement with vulnerable consumers via a trusted intermediary, particularly those experiencing more of a barrier to engagement such as being Deaf, can be particularly effective at stimulating engagement and importantly overcoming barriers.
- 'Smart Up' clearly demonstrated that bespoke advice and guidance led to greater financial savings[11], which is an important part of the cost benefit analysis for the rollout. One quarter of the benefits within the CBA are

explicitly linked to energy savings, so this type of advice and guidance becomes even more important as the rollout progresses.

- In 2017 Smart Energy GB in Communities provided grants to trusted partners for the delivery of active engagement (e.g. 121 or group information and advice provision) to older audiences to provide the necessary education and reassurance to build confidence in new technology by demonstrating that smart meters are easy to use. Evidence showed that direct conversations through trusted voices can provide education and reassurance to older audiences and can positively impact seek/acceptance levels of smart meters. Smart Energy GB analysis from 2017 partnerships activity showed that:
    - Older people that recalled direct activities, such as information shared at an event and giving advice on smart meters, were significantly more likely to agree that 'Smart meters will be easy to use' (74%) and 'I feel confident using a smart meter' (59%).
    - Nearly 3 in 5 of those exposed to face-to-face, direct engagement activity would seek or accept a smart meter.
- Although we have not yet collated statistical evidence for 2019, this year's, 'In Communities' programme continues to make a strong impact. NEAs smart meter training and work with trusted partners that are delivering grant funded smart meter activities are showing positive results.
- Smart Energy GBs paper "Working in partnership to make Britain smart energy revolutions a reality for us all" [12]was published in January 2018 and highlighted the tremendous value partnership activity can have, in the now and as part of a legacy going forward.

In order to ensure that as many vulnerable and low-income households as possible receive smart meters by 2024; and the benefits that these households can get from their smart meter, building on the current level of co-ordination of consumer engagement is crucial.

If there is a large delay between consumers being engaged by Smart Energy GB's mass marketing (or through our joint work via Smart Energy GB in Communities) and when customers can expect to receive a smart meter, this lag may cause many people to become disengaged from the initiative or reduce access rates which could increase the cost of the programme.

This is a particular concern for low income and vulnerable households who will need additional levels of bespoke support to benefit equally from the programme; with help to engage with marketing messages; understand how their new meter and In-Home Display (IHD) work; and fully understand the opportunities (and any risks) for allowing a supplier to access their half hourly usage data. 'SMART-UP' demonstrated that a proactive intervention with a householder resulted in a change to energy consumption, however without this there is a risk the substantive amount of cost savings which make up the Cost Benefit Analysis will not be realised. Where an intervention (namely direct advice and guidance on the use of the IHD and use of energy within the home) there were increases in the percentage of households carrying out at least one (from 74 to 84%), two (from 62 to 81%) or three (from 42 to 70%) actions to manage energy in the home, compared to before receiving SMART-UP advice.

This necessary outcome could be done in a number of ways including extending work via the existing Smart Energy GB in Communities Programme as well as closer relationships between individual suppliers and national and local organisations who have trusted relationships with hard to reach customers. As noted above, this activity should be supported by there being greater visibility of the rollout plans of all suppliers so local and national organisations are able to give more bespoke advice to customers about when they should be able to get a smart meter from their suppliers. This is a particularly urgent priority for suppliers plans to rollout smart PPM. In addition, sharing of regional data, for example the regions that suppliers are targeting in particular timeframes, would be useful so that other organisations can better focus their engagement efforts.

NEA has also welcomed the NAO's recommendations on the need for additional levels of adequate advice on how to save energy as part of the roll-out. Despite the previous Minister committing to the BEIS Committee in the last smart evidence session[13] that this would be a major focus within Government, there has been little additional activity to ensure, particularly vulnerable, consumers are receiving the pre and post installation support they need with very few suppliers joining-up the rollout to wider local or national energy assistance programmes.

A pressing live concern that the Energy Saving Advice Service (ESAS), provided by the Energy Saving Trust, has ceased to operate a telephone service and this support is now web based. This was the only remaining national phone number, following the loss of the Home Heat Helpline in 2016 which provided an important service offering free help and advice for those struggling to pay their energy bills since it launched in 2005. Before it closed, the helpline took over 400,000 calls, assisting households with questions and queries about their energy bills and usage. NEA also referred to the number during awareness campaigns and it is not feasible to provide individual supplier telephone numbers. According to Ofcom, around 13% of adults in the UK do not currently go online and these customers are at risk of being excluded from cheaper deals but also other 'smart' services that may be beneficial to them. This includes information regarding the WHD, PSR and ECO. NEA therefore suggests the Government consider how they fund practical advice to households who are not on the internet. Suppliers and Ofgem should also be encouraged to develop practical suggestions about how energy related topics should be included in wider national or local authority digital inclusion strategies.

As well as telephone services, NEA also highlights the importance of timely advice delivered, in home, at the same time as energy efficiency interventions. NEA underlines the importance of timely advice delivered, in home, at the same time or after the installation of a smart meter. Face to face energy advice is widely acknowledged as essential by practitioners [14] and researchers[15], as well as more recently by the UK Government with the Bonfield Review[16] which addresses energy efficiency consumer advice and protection, standards and frameworks for enforcement. Face-to-face advice not only helps to ensure that beneficiary households can effectively use any new technology, it can also help to ensure that beneficial behaviours are adopted, and any energy-related problems or challenges can also be addressed. This finding was reinforced in a recent evaluation of NEA's own Health and Innovation Programme (HIP) [17]. Under HIP, each grant funded project was required to deliver energy-related advice – in relation to the specific intervention being made. The types of advice provided included those related to energy practices, health and wellbeing, market engagement and financial wellbeing. Access to energy-related advice included the following forms of support:

- The importance of keeping warm and well at home;
- The importance of ventilation and how to avoid condensation and damp problems;
- Energy bill and switching advice;
- How to use new heating controls, existing or new heating systems;
- Managing fuel debt, benefit advice and income maximisation; and
- Advice on further energy related grants or energy supplier support such as the Warm Home Discount (WHD) and Priority Service Register (PSR).

NEA therefore welcome the views expressed in the consultation on the potential importance of co-ordinated consumer engagement in the next phase of the rollout; as well as the questions on the right evolution of co-ordinated consumer engagement to best meet the needs of that next phase. In doing so we have noted the expectation expressed in the consultation that there could be value in co-ordinated consumer engagement on smart products and services (such as engagement with smart tariffs and other smart innovations). There are several things that could be done to enhance the quality and scale of engagement:

- **Focussing on hard to reach customers -** Without a greater focus on engaging the hardest to reach customers, they will likely be the last to receive a smart meter, and may not receive a smart meter at all if 85% is deemed 'close enough' to a full rollout. This would not be acceptable, as it will result in fuel poor households having paid disproportionately more than other households (compared to their income), without seeing the benefit.
- **Sharing Data -** Many charities have expertise in reaching such customers and so we believe that this will require closer relationships between suppliers and the third sector. Specifically, sharing of regional data, for example the regions that suppliers are targeting, would be useful so that other organisations can better focus their engagement efforts.
- **Improved Advice from Frontline Advisers** - In order to give the most vulnerable households the best experience of a smart meter, and to ensure that they have the best chance of maximising the benefits of having one, frontline advisers need better training in giving advice and supporting consumers to experience and sustain the benefits of smart.
- **Proper enforcement of SMICOP** - NEA continue to have concerns about the extent of Ofgem's monitoring and enforcement of the minimum standards introduced under the Smart Meter Installation Code of Practice (SMICOP). Ofgem should set out how they are adequately monitoring these requirements across all suppliers, especially given the increasing number of smaller suppliers.

We are therefore supportive of the proposals made in the consultation document for: greater use of co-ordinated local engagement approaches; improved collaboration and sharing of information; and increased focus on activities that directly engage and provide tailored support to more hard to reach and discrete audiences.

We do not expect that the role for consumer engagement will be completed by the mid-2020s. Although there will likely be a reduction in demand for engagement with the general population on smart meters as we move towards 2024, there is likely to be an increase in the need for engagement with vulnerable customers until 2024. An end to co-ordinated engagement activity should only happen if the rollout for vulnerable customers has been substantively completed by that point. While it would be beneficial if this were to happen early, we do not think this is a realistic expectation. Therefore, there will need to be substantial engagement with these customers in order to not only encourage uptake, but also to ensure that they are well informed in order to maximise the benefit that they can access as a result of receiving the meter.

The phase in engagement that focusses less on the general population, and more on vulnerable households should focus on the need to support more vulnerable consumers in making the choice to take up smart meters, but also in supporting those more vulnerable consumers who are living in a smart world better to manage their energy consumption (without any unintended consequences, such as self-disconnecting or self-rationing).

Question 16 - What policy amendments or new initiatives you consider will be required to ensure that the consumer benefits of smart metering are sustained? Please provide evidence to support your views

An urgent priority is to ensure the existing Smart Energy GB in Communities programme is expanded and some of the key target groups who Smart Energy GB previously defined in their 'Smart Energy for All' report[18] are prioritised. This includes PPM customers and customers who do not own their own home and are reliant on the actions of their landlords. As noted above, this activity should be supported by there being greater visibility of the rollout plans of all suppliers so local and national organisations are able to give more bespoke advice to customers about when they should be able to get a smart meter from their supplier. This is a particularly urgent priority for suppliers plans to rollout smart PPM. In addition. sharing of regional data, for example the regions that suppliers are targeting, would be useful so that other organisations can better focus their engagement efforts.

As noted in the introduction, NEA has also completed a number of research projects into smart meters, including *Smart for All* (Phases 1 and 2) which looked at consumer vulnerability during the experience of smart meter installation on behalf of the UK Government and *An Extra Help Scheme for Vulnerable Smart Meter Customers* which interviewed stakeholders to assess potential models for delivering additional assistance during the roll-out. The latter report included seven key areas to consider when designing and delivering smart meter extra help:

1. Defining vulnerability;
2. Establishing eligibility for services;
3. Identifying and targeting eligible consumers;
4. Delivering extra help services, including staff support and training;
5. Providing information to meet needs;
6. Engaging vulnerable consumers through community outreach;
7. Facilitating outreach and service delivery through a coordinated and integrated one-stop-shop approach.

The research concludes by outlining four options for delivering extra help to vulnerable customers:

1. A dedicated vulnerable customer pathway;
2. Dedicated vulnerable customer pathway plus a package of measures;
3. A centralised programme delivering extra help through existing fuel poverty and energy advice schemes;
4. Linking up a smart meter installation with area-based fuel poverty and energy efficiency works schemes;

In order to ensure that consumer benefits of smart metering are sustained, it is extremely important that these options are reinvestigated, and frontline advisors are properly equipped to answer their client's questions about the rollout.

Question 17 - What other policy measures should the Government consider in order to complement the proposed market-wide rollout obligation? Please give a rationale and evidence to support your suggestions.

There are several new policy measures that could complement the proposed market-wide rollout obligation, and many have talked about the possible need for mandating meter installs/. Whilst this is not something that NEA thinks should be an immediate priority, the following represent a possible set of policies in the case that the Government is minded to towards mandate installations. It should be noted that these should only be put into practice if the Government decides to move to mandating **and** only once the technical issues that currently exist have been resolved.

- **Including smart meters in building regulations** so that new housing is fit for purpose, and so the number of meters that need to be retrofitted does not increase over time. This could be linked to the future homes standard, which is currently out for consultation[19].

- **An obligation on landlords to install smart meters in privately rented properties before they are able to be let,** alongside (or as part of) the pre-existing minimum energy efficiency standards for privately rented properties. This would help to ensure that private renters do not miss out on the benefits of smart meters, and could be implemented within any future updates to the The Energy Efficiency (Private Rented Property) (England and Wales) (Amendment) Regulations 2019[20].

- **An obligation on insurance or building maintenance firms** to ensure conventional meters are replaced with a smart meter following a claim when the meter is broken or damaged. Again, this would ensure that old meters are not being installed for what could potentially be a very short life.

[1] For more information visit: www.nea.org.uk.
[2] NEA also work alongside our sister charity Energy Action Scotland (EAS) to ensure we collectively have a UK wider reach.
[3] This second phase of research is presented here: https://www.nea.org.uk/wp-content/uploads/2015/07/march-NEA-Smart-for-All-2-FullReport-FINAL.pdf
[4] See the full report here: https://www.citizensadvice.org.uk/Global/Migrated_Documents/corporate/smart-meter-extra-help-scheme-full-report-final1.pdf
[5] See the final report here: http://www.nea.org.uk/wp-content/uploads/2018/08/SMART-UP-UK-FINAL-REPORT2.pdf
[6] For more information please see https://www.nea.org.uk/research/energywise/

[7] For the full report please see https://www.nao.org.uk/report/rolling-out-smart-meters/
[8] https://www.parliament.uk/documents/commons-committees/business-energy-and-industrial-strategy/Correspondence/2019-20/Letter-from-Lord-Duncan-on-smart-meters.pdf
[9] The Smart Energy GB report 'Smart Energy For All' (https://www.smartenergygb.org/en/-/media/SmartEnergy/essential-documents/essential-documents/english/Smart-Energy-For-All.ashx?la=en&hash=57A793A7FD82F6D26232C82AC25BED1CCC2ED9BC) says:

- Over 1 in 10 of the population is over 65
- 900,00 speak little or no English
- 17% of adults in England have literacy levels at or below those of an 11-year-old

Additionally, Action on Hearing Loss (https://www.actiononhearingloss.org.uk/) say that:

- 11 million people in the UK have hearing loss (1 in 6)
- 24,000 + use BSL as their main language

[10] https://www.ofgem.gov.uk/environmental-programmes/government-electricity-rebate-ger
[11] Average consumption had dropped following the SMART UP intervention from 3,757kWh to 3,586kWh. This represents a saving of 171kWh, and 5% reduction in electricity consumption within the sample. For more information see http://www.nea.org.uk/wp-content/uploads/2018/08/SMART-UP-UK-FINAL-REPORT2.pdf
[12] See https://www.smartenergygb.org/en/-/media/SmartEnergy/essential-documents/press-resources/Documents/Working-in-partnership-to-make-Britains-smart-meter-revolution-a-reality-for-all.ashx
[13] Giving evidence to the BEIS Committee, Rt Hon Claire Perry said "We need ongoing reminders as to what you can do to continue to save energy, and all the good stuff that suppliers do. "So-and-so down the street has the same output as you and is saving more money". That is part of the future of this. This becomes a mechanism to encourage people to save energy going forward in their homes, rather than just the one-off because it is quite exciting if you switch your lights off to see how much you save. That was the reason that we really welcomed the suggestion for further innovation, and I was happy to launch the competition. It is really important that this is a fundamental part of the relationship we want suppliers to have with their customers. It is not a "nice to have". See the transcript of the evidence session here http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/business-energy-and-industrial-strategy-committee/rolling-out-smart-meters/oral/94877.pdf
[14] NEA (2012) Green Deal and Energy Company Obligation: The design and delivery of energy efficiency and fuel poverty advice services to vulnerable citizens. Funded by DECC. Available at: http://www.nea.org.uk/wp-content/uploads/2016/02/02-NEA-2012-GD_advice.summary.FINAL_.pdf.
[15] Jacques, B. et al (2016) Relationship experts - Behaviour Change and Home Energy Coaching. Funded by the Welsh Government. Available: http://www.nea.org.uk/wpcontent/uploads/2016/07/Relationship-experts_final-report.pdf.
[16] Dr Peter Bonfield (2016) Each Home Counts: Review of Consumer Advice, Protection, Standards and Enforcement for Energy Efficiency and Renewable Energy. Commissioned by DECC, now part of BEIS, and DCLG. Available: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/578749/Each_Home_Counts__December_2016_.pdf.
[17] As a result, HIP helped deliver considerable improvements in how households experience their home heating, including aspects such as control over heating systems and ease of use but also thermal comfort and energy bill affordability. In addition, over half of households who received large measures and almost half of small measures households, associated changes in their pre-existing health conditions to the receipt of their HIP interventions.
[18] The 'Smart Energy For All' report identified characteristics, capacity and circumstances that have the potential to present barriers to smart uptake and benefitting from smart meters. These can be found on pages 14 and 15 of the report: https://www.smartenergygb.org/en/resources/press-centre/press-releases-folder/smart-energy-for-all-updated
[19] See https://www.gov.uk/government/consultations/the-future-homes-standard-changes-to-part-l-and-part-f-of-the-building-regulations-for-new-dwellings
[20] See http://www.legislation.gov.uk/uksi/2019/595/contents/made