



House of Commons
Energy and Climate Change
Committee

**Smart meters: progress
or delay?: Government
and Ofgem Response
to the Committee's
Ninth Report of
Session 2014–15**

**Ninth Special Report of Session
2014–15**

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The Energy and Climate Change Committee

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Special Report

On 7 March 2015 the Energy and Climate Change Committee published its Ninth Report of Session 2014–15, *Smart meters: progress or delay?* [HC 665]. On 20 March 2015 the Committee received the Government's response to the Report. It is appended below. Ofgem also wrote to the Committee on 20 March 2015, setting out brief responses to a number of recent Committee Reports. The letter from Baroness Verma and Government response are appended below along with an extract from Ofgem's letter to us.

Appendix 1: Letter from Baroness Verma

I am very grateful to the Energy and Climate Change Committee (ECCC) for their report on the Smart meter roll-out.

Following the report's publication we are able to provide further information on:

- the Data and Communications Company's (DCC) alternative delivery plan for build and test of the communications infrastructure that will support the roll-out of smart meters from 2016 onwards, following Secretary of State approval on 5 March;
- the Early Learning Project, an extensive research programme undertaken during the early Foundation period of the programme into how best to deliver consumer benefits through effective engagement

With the technical, regulatory and commercial framework largely in place, alongside a stable and robust DCC delivery plan from which industry can plan to work and make investment against, the programme is making good progress and moving beyond its design stage to a new phase of delivery. In the meantime consumers are already benefiting from the early roll out of smart meters with over 1 million meters operating under the programme.

The interests of consumers are at the heart of the smart metering programme. DECC will continue to work with energy suppliers, Smart Energy GB and consumer groups in the build-up to the DCC being live to ensure consumers increasingly understand and use smart meters to the full.

Appendix 2: Government response

Introduction

The Government welcomes the Energy and Climate Change Committee's report on the Smart Meter Roll-out. We note that Ofgem plan to write separately to the Committee.

This response has been prepared by the Department of Energy and Climate Change (DECC).

The Committee's recommendations are shown in bold and the paragraph references at the end of each recommendation correspond with those in the Committee's report (where applicable). The Government's response is given beneath each recommendation, or group of recommendations.

1

We first identified the technical challenge of multiple occupancy and tall buildings for smart meters in 2013. The Government has established working groups with industry to address this issue but suppliers remain dissatisfied with the level of progress to date. **We recommend that the Government take a firmer, co-ordinating role to steer those involved towards an effective cross-industry solution. DECC should use its smart meter working groups, identify the preferred solution and establish a clear timeline to address the issue of multiple occupancy and tall buildings. (Paragraph 13)**

The Government notes the Committee's recommendation. It is important to note that the existing Home Area Network (HAN) solution at 2.4GHz will serve the majority of GB households¹.

Many multiple dwelling units (purpose built flats and buildings that have been converted to flats) are within the 30% of GB properties which may require either the 868MHz Home Area Network (HAN) solution or what is known as an Alternative HAN solution. An Alternative HAN solution uses additional equipment to extend the range of signals between the metering equipment and the consumers' premises (for example between an In Home Display in a flat on the 20th floor and a meter on the ground floor). Given the variation in building types in Great Britain and meter locations a range of Alternative HAN solutions is likely to be required.

Good progress is being made on developing technical solutions that will provide a Home Area Network (HAN) in all types of GB properties. DECC is already leading working groups with industry to:

- deliver the 868MHz HAN solution (that will increase HAN coverage from 70% to over 95% of GB homes).

¹ The current solution at 2.4GHz will provide coverage for approximately 70% of GB properties.

- gather further evidence on delivery models for the procurement and provision of Alternative HAN solutions
- agree efficient and effective logistical arrangements to install Alternative HAN solutions in multi-dwelling units.

The Government will publish a consultation on HAN solutions at the end of March 2015. This consultation will set out proposals to support delivery of both the 868MHz and Alternative HAN solutions. In addition, on 16 March the Government instructed the DCC to initiate a formal project and impact assessment on dual band (2.4GHz and 868MHz) communications hub availability. The Government is also in the process of commissioning a field trial to help us understand the relative performance of high and low power 868MHz solutions – this will be concluded in advance of finalising policy decisions in summer 2015.

2

As interoperability is at the heart of the Government’s framework on smart meters, the Government and the DCC should relax requirements for early smart meters that fall just short of SMETS 1 compliancy to be replaced by 2020. This could reduce cost and inconvenience for consumers. (Paragraph 16)

The Government disagrees with the Committee’s recommendation.

The SMETS1 technical specification has been consulted upon and has been in place since 2012 to support the development of the smart metering market. This has provided a basis upon which industry have subsequently made investment decisions with the requisite clarity that equipment not meeting SMETS 1 if in force at the time of installation, would not count towards suppliers’ roll-out obligations.

SMETS1 is important for ensuring minimum common meter functionality across the retail energy market, a good consumer experience and delivery of the programme’s benefits. The Government therefore has no plans to relax requirements for early smart meters.

3

Technology has moved on since it was made obligatory for suppliers to offer In- Home Displays (IHDs). It is essential that all meters are compatible with smart phones and tablets as smart technology is now commonplace and apps would provide more flexibility for both suppliers and consumers and would improve interoperability during the mass roll-out phase. However we are conscious that there are many UK households who still lack access to smartphones and other smart devices. **On balance we recommend that DECC and Ofgem maintain the mandate for all suppliers to offer IHDs. We also recommend that the Government and suppliers work together to keep costs down and identify an affordable smart app which can be used with all smart meters. In this way all customers can be offered a choice which meets individual customer preferences. (Paragraph 19)**

The Government agrees with the Committee's recommendation that the obligation requiring energy suppliers to offer In-Home Displays (IHDs) to all of their domestic customers should be retained.

The IHD is central to putting consumers in control of their energy use. For many consumers, the IHD will be the first opportunity to visualise their energy consumption – how much they use, when they use it, and how much it costs them. IHDs provide the data to help begin a consumer's journey towards increased energy efficiency.

It is important to recognise that consumers are likely to be influenced by two discrete forms of energy consumption data. The first is real time data which allows consumers to see what they are consuming, to learn what behaviour drives high energy consumption, and to detect unexpectedly high consumption. The second is time series data where patterns of historic consumption can be analysed over time or against benchmarks to see the nature of energy consumption in comparison to others and the results of energy saving measures.

Past GB trials and international experience demonstrate that IHDs are instrumental to energy savings. The recently published findings of the Early Learning Project² provide substantial new evidence confirming that the IHD is an important tool for engaging consumers with information from their smart meters, both at the point of installation and in the longer term, as this research showed that in most cases they were continuing to use them up to two and a half years after installation.

A key advantage of an IHD over other information channels is that it provides ambient information to all members of a household – like a clock on the wall, anyone can see at a glance how much energy is being used, and what it is costing, at any moment. Unlike some other approaches the IHD does not rely on internet or mobile connectivity.

Websites or mobile apps require a consumer to take positive action to access their information and may not be accessible to all members of a household. They do, however, have utility in providing more detailed time series analysis and advice.

The Smart Metering Equipment Technical Specifications (SMETS) have been designed to ensure that consumer devices such as smart phones or smart heating systems can be developed with the capability to connect to receive data from smart meters. Energy suppliers and home energy management providers are already developing products which can connect to smart meters, to stream consumption and tariff data via the internet.

The Government disagrees with the Committee's recommendation that the Government should identify a smart app. The best way to offer consumers choice about methods of energy feedback is to allow industry to innovate and differentiate their offer to consumers. Energy suppliers and other private enterprises are best placed to develop apps that meet the needs of consumers. A number of suppliers have already developed, or are developing,

² Smart Meter Early Learning Project and Small-Scale Behaviour Trials:
<https://www.gov.uk/government/publications/smart-metering-early-learning-project-and-small-scale-behaviour-trials>

apps and there is no evidence to date of a market failure that requires Government intervention, or that a single app would best suit all consumers varying needs.

4

We are very concerned about the impact the DCC delay will have on customers during the mass roll-out phase for the smart meter programme. The target of 100% smart meter installation by 2020, which is already in danger of being missed, will be made even harder to achieve by this delay. It is also likely to increase the number of SMETS 1 meters installed by suppliers, creating future interoperability problems for customers who then have to install SMETS 2 meters. **The DCC must urgently find ways of incorporating these early meters into its communication infrastructure and of simplifying the extremely long smart energy code. Following the end of the DCC consultation period, the DCC should report jointly with the Government on the impact that this delay will have on the roll-out and in particular on consumers, identify what measures will be taken to get the roll-out back on track, and explain how any additional resources will be provided. (Paragraph 24)**

The Government notes the Committee's recommendation on the DCC's plan and implementation milestones. On 5 March, the Secretary of State approved an alternative delivery plan for the build and test of the communications infrastructure that will support the roll-out of smart meters, proposed by the Data and Communications Company (DCC)³. Under this revised plan, the DCC expects to deliver operational services from April 2016 rather than the previous target of December 2015. The Government has also made available up to a maximum of six months of contingency which will be strictly governed, and must be duly justified, to enable the DCC's systems and services to come together with the energy companies' systems and processes in a coordinated way.

The Government notes the Committee's recommendation on enrolling SMETS1 meters into the DCC. SMETS1 equipment installations undertaken whilst SMETS1 is in force will count towards suppliers' roll-out obligations. The Government's view is that there are important shared benefits from the DCC being able to enrol SMETS1 meters.

In light of these benefits, the Government will address the enrolment of SMETS 1 meters into the DCC in a consultation at the end of March 2015. In that publication, the Government will also consult on the date after which new installations of SMETS1 meters will not count towards suppliers' roll-out obligations. Having gathered important learnings from the installation and operation of SMETS1 meters, it is important that energy suppliers and other key delivery parties now focus on developing their SMETS2 solution in readiness for the DCC live services.

³ Smart metering: Written statement - HCWS345: <http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2015-03-05/HCWS345/>

The Government notes the Committee's recommendation on the Smart Energy Code (SEC). The SEC is a function of its purpose as a multi-Party agreement which is required to explicitly define the rights and obligations of energy suppliers, network operators and other relevant parties involved in the end to end management of smart metering in Great Britain and their contractual relationships with each other. It is necessarily detailed by the fact that it is a contract setting out the rights and obligations of the multiple parties involved in the delivery and use of three integral smart metering services (the provision of smart metering communications hubs, the provision of a smart metering communications and data services and the provision of security arrangements to support smart meters). It thus requires prescription to protect the interests of those who need to use these services and ultimately the interests of consumers. The use of these types of industry codes is a standard approach in the energy sector.

The SEC is overseen by a Panel^[1] (not the DCC) whose members are drawn from industry and consumer groups and who are required to act independently, with appropriate oversight from Ofgem.

The Government is creating the initial content of the SEC and has consulted with industry on this at every stage of its development, seeking to include only that which is necessary. SEC Parties can raise urgent or fast track modifications to the SEC Panel so will be able to refine its content further, if appropriate, as the industry evolves. The Smart Energy Code Administrator and Secretariat (SECAS) provides guidance and hosts workshops on the SEC.

5

Despite the Minister's confidence, we are concerned that the current shortage of installation engineers makes it unlikely that the 100% roll-out target will be met by 2020, and may affect the installation costs passed on by suppliers to customers. **We recommend that the Government publishes a detailed plan and timetable to address this skills shortfall, and consults suppliers to identify which regions and customers will be most affected by it ahead of the 2020 roll-out deadline. (Paragraph 28)**

The Government disagrees with the Committee's recommendation. We have not seen evidence to date that there is a shortage of meter installers and number of energy suppliers are at an advanced stage in developing their installation workforces, with some using in-house teams, some contracting out, and some taking a mixed approach.

Energy suppliers are responsible for ensuring that sufficient, competent meter installers are available to efficiently and safely complete the roll-out by 2020. It is vital that they have robust plans in place to meet their roll-out licence conditions. Building their internal capability now or contracting early with third party installers are key steps towards mitigating any risks around resource availability. The Foundation stage of the Programme

^[1] SEC Panel members: <https://www.smartenergycodecompany.co.uk/docs/default-source/meetings/panel/sec-panel-members.pdf?sfvrsn=6>

is enabling the energy industry to make the necessary preparations and test their readiness for the period after the DCC is live.

The National Skills Academy for Power (NSAP) has worked extensively with the industry to develop training requirements and provision. NSAP has developed a Level 2 qualification which seeks to provide individuals with the necessary skills to become an accredited smart meter installer. They maintain a register of accredited installers and issue an annual report which includes details of existing workforces, estimates of future requirements and current developments such as the creation of training centres and installer apprentice schemes.

We recognise that the potential shortage of trained meter installers will remain a risk during the peak years of the Programme. DECC will continue to monitor energy suppliers and meter operators progress in their recruitment and training of installers, or re-training of existing staff, to ensure sufficient workforces are in place to aid effective delivery of energy suppliers' plans.

6

The existing roll-out arrangements may now be too advanced for a transfer of responsibility for installation. However, given the potential benefits of DNOs playing a greater role in the roll-out, we recommend that the Government urgently conducts and publishes an assessment of the feasibility of requiring a more active participation of the network operators in the roll-out programme. (Paragraph 30)

The Government disagrees with the Committee's recommendation. It is vital that electricity and gas network operators play their part in supporting the roll-out. However, the energy supplier-led roll-out is the right approach to maximise benefits to consumers.

The case for an energy supplier-led approach in GB is strong, as suppliers have the main relationship with consumers. This was consulted upon at an earlier stage of the programme. Moreover, unlike many other countries where metering is the responsibility of the network companies, in GB metering is already the responsibility of energy suppliers. Energy suppliers also have strong commercial and financial incentives to engage consumers and deliver good quality service at lowest cost. Those energy suppliers that do not deliver the roll-out efficiently or do not provide for a good consumer experience risk losing customers to their competitors.

Gas and electricity network operators are engaged in the programme and will need to support roll-out activity, principally by being resourced to resolve issues where an installation can only take place following remedial work by network operator staff, in line with geographical breakdowns of energy suppliers roll-out plans. Our assessment is that the gas and electricity network operators have plans in place for these areas.

The expertise of network operators is also being utilised to improve installation efficiency and the consumer experience. For example, network operators have developed and issued

guidance to meter installers for identifying, classifying and dealing with potential network-related installation issues during the roll-out.

The Government expects electricity Distribution Network Operators (DNOs) to be utilising smart metering to improve network management once the DCC begins live service. This means having systems ready and organisational capability to detect and respond to alerts sent over the DCC's systems so power outages can be quickly identified at the premises level and remedied, thereby minimising costs and consumer inconvenience. It also means network operators having plans approved by Ofgem for anonymising data to address potential privacy concerns so they can access data for regulated purposes to aid efficient network investment.

At the end of March 2015 the Government will publish a consultation which proposes introducing a regulatory requirement for DNOs to be ready to use the DCC from the point its services are live. The Government is working with Ofgem and engaging network operators to ensure the timely delivery of data plans and that they are ready to support the roll-out.

7

While Smart Energy GB's appointment has been supported we also want evidence from this communications agency, and from Government, of a clear engagement plan to persuade the public of the advantages of installing and using smart meters. We are concerned at the reported high drop-off rates after one year of installation. Smart Energy GB's plan to use third parties, such as community groups and public broadcasters, to engage the public is wise and we encourage this approach. (Paragraph 35)

The Government notes the Committee's recommendation and welcomes the view that Smart Energy GB's plan to work with trusted third parties should form a core part of the consumer engagement for smart metering.

The Government considers consumer engagement to a critical prerequisite for the success of the Programme. The Smart Metering Programme's Consumer Engagement Strategy (published in 2012⁴) was developed in close consultation with stakeholders, informed by a range of UK and international evidence and led to an approach whereby:

- Energy suppliers will have the primary consumer engagement role as the main interface with their customers before, during and after installation;
- Supplier engagement will be supported by a programme of centralised engagement undertaken by Smart Energy Great Britain (Smart Energy GB).

The Government will continue to communicate with consumers, in addition to the activity undertaken by the industry and consumer organisations, where this will provide additional benefit.

⁴ Smart Meters Implementation Programme, December 2012:
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43042/7224-gov-resp-sm-consumer-engagement.pdf

Smart Energy GB is developing a partnership delivery model that will support third party consumer engagement. The model will work from the bottom up, with frontline local community organisations who have existing relationships with consumers at its foundation, moving up through regional network organisations (such as Housing Associations), up to major national partners with significant infrastructure across GB. Its current plans for building confidence and raising consumers' pre-installation awareness of smart meters include:

- National campaigns to raise general awareness and interest in smart meters, to lay foundations for detailed guidance during and after the installation process.
- A website (in English and Welsh) with detailed information for consumers on smart meters, including on the installation process and how to use a smart meter once installed. Other language support will be added.
- A series of online educational films to ensure customers get the maximum benefit from their installations by preparing them for their visit, available on Smart Energy GB digital channels and for energy companies and partners to use.

Smart Energy GB's has published a Consumer Engagement Plan⁵, which was last updated in December 2014. It will publish a detailed review of its activities in 2014 in its annual report, before 31 March 2015.

In terms of drop off rates, recently published findings of the Early Learning Project demonstrate the important role of the In Home Display in consumer engagement. This research showed that even prior to Smart Energy GB's national consumer engagement campaign starting in earnest - which has a key role in helping consumers understand and engage with the IHD and the benefits offered by smart metering - 61% of consumers were continuing to use their IHDs up to two and a half years after installation. Those consumers who used IHDs to monitor trends and anomalies in their energy consumption over time or as part of daily routines also appeared more likely to report benefits associated with energy savings. This highlights the importance of energy suppliers continuing to develop, test and refine their approaches to consumer engagement in the Foundation stage to help drive higher benefits and energy savings, as well as identifying and learning from good practice.

Building on findings from the Early Learning Project, the Government is planning to lead on work in 2015 to develop good practice energy efficiency advice and guidance materials for use at the point of installation to help installers deliver tailored advice appropriate to customers' needs.

⁵ Smart Energy GB Consumer Engagement Plan, December 2014:
<http://www.smartenergygb.org/sites/default/files/engagement-plan-1213.pdf>

8

We believe that the potential benefits of Time of Use tariffs working in conjunction with smart meters are very substantial. Energy suppliers should continue to pilot the use of these tariffs and feedback to Ofgem the extent to which they help change consumption patterns and lower bills. We agree with the Government and suppliers that the public need to have a better understanding of Time of Use tariffs before the universal adoption of compulsory Time of Use tariffs can be considered. (Paragraph 39)

The Government agrees with the Committee's recommendation that time of use tariffs should continue to be piloted and that public understanding and acceptance are essential ahead of successful introduction.

Research conducted by UCL⁶ for Smart Energy GB demonstrates that there may be considerable consumer interest in time of use tariffs, and trials under the Ofgem-funded Low Carbon Network Fund have shown that consumers on time of use tariffs are able to reduce both their peak demand and overall energy consumption.

9

It is clear that helping 28 million households, including vulnerable customers, to understand the benefits of smart meters and to continue using them once installed will be challenging. We want the Government to report periodically on the impact of smart meters on low-income households. (Paragraph 35)

The Government must monitor the impact of the programme to ensure that low income households, in particular, are benefitting. (Paragraph 40)

The Government notes the Committee's recommendation to report periodically on the impact of smart meters on low income households. We report annually on the roll-out of smart meters, including vulnerable consumers⁷.

We are committed to ensuring that all consumers benefit from smart meters, including low income and vulnerable customers, and have:

- introduced Licence Conditions on large energy suppliers that oblige Smart Energy GB to assist vulnerable, low income and pre-payment consumers to realise the benefits of smart meters. Smart Energy GB performance against its Licence Conditions will be monitored and evaluated through its Performance Management Framework by Ofgem;

⁶ <http://www.smartenergygb.org/sites/default/files/UCL%20research%20into%20time%20of%20use%20tariffs.pdf>

⁷ SMIP: Third Annual Report on the Roll-out of Smart Meters, December 2014: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/384190/smip_smart_metering_annual_report_2014.pdf

- put in place the Smart Metering Installation Code of Practice (SMICoP), which requires energy suppliers to meet the needs of vulnerable consumers during the installation process. The SMICoP has its own monitoring regime, which also covers the code's requirements relating to vulnerable consumers;
- placed a requirement on energy suppliers to ensure that the in-home display is accessible for a broad range of users, including those with impairments. Energy suppliers are currently working with the Royal National Institute of Blind People to ensure smart meter data is easily accessible to blind and partially sighted consumers through an IHD or other appropriate technology.

The Licence Condition that requires an In Home Display to be offered with no up-front charge, is also important for ensuring low income households can benefit from access to smart meter data, even in the absence of access to the Internet.

The Government notes the Committee's recommendation to monitor the impact of the programme to ensure low income households are benefitting. We published our monitoring and evaluation strategy in 2012⁸ and an output from this, the Early Learning Project (ELP), were published in March 2015.

Findings from ELP outlined the transformative benefits smart meters can bring to prepayment customers (who can often be low income or otherwise vulnerable customers). Being able to see an account balance on an easily-accessed In-Home Display - rather than often awkwardly placed meters - reduces the risk of pre-payment customers accidentally self-disconnecting from energy supply when they run out of credit.

This identified categories of energy user who would particularly benefit from tailored, follow-up support to ensure they are able to fully realise the benefits of smart meters:

- Householders with specific difficulties, due to low levels of literacy, long-term illness, age or disability;
- Tenants;
- Low-income consumers;
- Prepayment consumers.

To support suppliers and Smart Energy GB with these categories of consumers, the Government is planning to lead on further work in 2015 as a result of ELP evidence to assess the planned provision of follow-up support for vulnerable consumers and whether further steps are required to ensure benefits are realised for key groups of consumers.

The Government's monitoring and evaluation plans will continue to be reviewed and refined as the Programme moves towards the period when the DCC will be live.

⁸ SMIP: Government Response to consultation on information requirements for monitoring and evaluation: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/43136/7206-gov-resp-cons-sm-monitor-evaluation.pdf

10

The Government must give serious consideration to whether or not it is possible to reduce costs to consumers by streamlining the roll-out of smart-meters, perhaps through more active participation of DNOs. (Paragraph 41)

However, the benefits of smart meters will only be fully realised if the Government sets and keeps within a budget limit on the cost of the overall programme. (Paragraph 40)

We want the Government to remain ambitious about securing the maximum benefits from smart meters as soon as possible, particularly in relation to energy efficiency and consumer bills. (Paragraph 40)

The Government notes the Committee's recommendation on streamlining the programme. Our response to Recommendation six outlines how gas and electricity network operators are actively engaged in the Programme.

With the technical, regulatory and commercial framework largely in place, alongside a stable and robust Data and Communication Company delivery plan from which industry can plan to work and make investment against, the Programme is making good progress and moving beyond its design stage to a new phase of delivery. Therefore adjustments to the Programme in a period when stability is paramount poses significant risk, as any adjustments need to avoid unduly impacting: momentum; existing investments; competition and most importantly consumer benefits.

The Government remains vigilant for opportunities to increase the net benefits of the roll-out to consumers. We have established a cross-industry working group that will make recommendations to the programme on actions that would increase benefits and reduce costs, subject to action not jeopardising the programme's business case.

The Government disagrees that the benefits of smart metering will only be realised if a budget limit is set on the cost of the overall Programme. The Government's approach to minimising costs and ensuring cost savings are passed on to consumers is embedded in the strategy of mandating an energy supplier-led roll-out. The Department fully expects energy suppliers to pass cost savings through to consumers. As commercial entities operating in a competitive market, energy suppliers are incentivised to minimise costs and maximise cost savings. Consumers will be able to switch away from suppliers that do not keep their customer offer and prices competitive.

The Government and Ofgem are committed to further enhancing retail energy competition. To this aim, Ofgem has referred the retail energy market to the Competition and Markets Authority to investigate if features of the market are having an adverse effect on competition and, if so, what reforms would make competition even more effective. They are due to publish their provisional findings in summer 2015.

We agree with the Committee's recommendation that the Government should remain ambitious about securing the maximum benefits from smart metering as soon as possible. Recently published findings of the Early Learning Project demonstrate that consumers

with smart meters are more likely to: have made attempts to reduce their energy usage; purchase energy efficient appliances; know about the energy consumption of appliances in their home and to be satisfied with their energy supplier.

To drive early benefits from smart metering, the Government will publish at the end of March 2015 a consultation on a strategy for the roll-out from the DCC being live to the end of the Programme. This will include an obligation requiring large suppliers to have begun installing SMETS2 meters in 2016.

11

We also consider that the Government should publish the Major Project Authority's assessments of the smart-meter programme.

The Government disagrees with the Committee's recommendation. We support the view that transparency on progress on delivering major projects is important, but believe this is well met by other means, such as the MPA annual reports.

The Department publishes information on smart meters in a number of documents, including its Annual Progress Reports and quarterly statistical publications.

Appendix 3: Ofgem response

Extract from Ofgem's letter to us, dated 20 March 2015.

Ofgem provided written and oral evidence plus detailed follow-up supporting material for the Smart Meter Progress inquiry, which we hope was of use to the Committee. We have read the report with interest and we will bear in mind the recommendations as we monitor the performance of suppliers and the DCC against their licence obligations to deliver the smart meter rollout to a high standard.

Ofgem will continue to work with Network Operators, including through the Smart Grid Forum, to maximize the benefits to the consumer of using smart meters. We want consumers to enjoy the full benefits of having smart meters as quickly as possible. It is therefore important that the industry cooperates fully with the Government's programme.