

SMIP – Consultation on proposals to improve non-domestic consumers' smart metering awareness and data access

Stark Response

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Stark

Pure Data.
Powerful Insight.

About Stark

- ▶ Stark is a leading provider of energy data and services to non-domestic consumers in the UK.
- ▶ Stark provides data collection and aggregation, analytics, metering, asset finance and energy advisory services to thousands of industrial, commercial and public sector organisations in the UK. Many of our customers are large energy consultants or suppliers who in turn provide our services on to a still larger set of end users.
- ▶ In the electricity market, Stark is an accredited Data Collector and Data Aggregator (DC/DA) for both Half Hourly and Non-Half Hourly metering systems. For non-domestic Half Hourly metering systems, we are the industry number two, behind the legacy monopoly provider. We've consistently grown our portfolio through our relentless focus on data quality, customer service, and market leading analytical tools.
- ▶ Stark plays an important role in the smooth functioning of the UK electricity market and settlements: Stark processes data for settlement for around 15%¹ of the UK's electricity consumption every day.
- ▶ In the Gas market, Stark is an Ofgem registered meter reader under ESTA's ASPCoP guidelines, an AMR Service Provider (ASP), and a Meter Asset Manager (MAM).
- ▶ Stark's energy analytics platform is one of the most popular services of its kind for energy, carbon and sustainability professionals in the UK.
- ▶ Stark has recently entered the domestic metering space, working with suppliers² and SMSOs to deploy SMETS1 and SMETS2 smart metering systems, agent services, elective Half Hourly settlement and analytics.

¹ Stark Analysis, 28 September 2017

² Stark, *Trilliant Networks and Stark Finalize Deal Enabling Delivery of SMETS1 Solution Throughout the United Kingdom*, available at: https://www.stark.co.uk/wp-content/uploads/2017/08/14_SMSO_Stark_Trilliant_080117_Final.pdf

Consultation Response

Part A: Raising microbusinesses' awareness of smart meters

A.1 What do you think should be done about the low levels of microbusiness awareness of Smart metering?

BEIS' preferred option of enlarging Smart Energy GB's (SEGB) mandate is a direct result of an overcentralised approach, which we explore in more detail below. We believe that rather than directing SEGB to undertake a potentially inefficient, unfocussed and expensive marketing campaign, which would ultimately be paid for by consumers, BEIS should empower the competitive market to address the issue by extending the AME and being clear about the shortcomings of SMETS for businesses – no 3 Phase or CT electricity variants, connectivity issues in the North region, complicated access to data and sub-optimal support for split fuel premises.

The consultation document highlights timing as a contributing factor to this issue but fails to identify historic BEIS policy as the root cause. The premature expiry of the Advanced Meter Exception (AME) combined with the removal of the DCC Opt-Out disincentivised microbusiness specialists like Stark from investing in an alternative Smart solution. This in turn created an environment where suppliers could only offer a centralised, domestic Smart metering solution to microbusinesses, which as outlined in the consultation document, does not meet their requirements and/or lacks sufficient data for energy management. As a result, awareness of Smart metering amongst microbusinesses, as well as momentum in the non-domestic roll-out, has been hindered.

A market driven approach would have prevented this. If the DCC Op-Out remained, independent providers could have developed alternative Smart products, specifically for the non-domestic sector, much earlier in the roll-out and generated greater demand amongst microbusinesses. Similarly, as evidenced by installation rates for Advanced meters in the smaller non-domestic sector, which were up to three times higher per quarter than Smart meters right up to the AME end date³, the competitive market has driven significant engagement and momentum in the microbusiness roll-out through deployment of Advanced metering. With the expiry of the AME this has now been lost and BEIS should seriously considering reinstating it as a more cost-effective alternative to their preferred option.

³ BEIS, Smart Meter Statistics Q3 2018, Excel attachment, Table 3a

A.2 Do you agree that targeting microbusinesses (as opposed to a wider range of non-domestic consumers) is the appropriate approach?

Any marketing aimed at microbusinesses will also inevitably impact non-microbusinesses. Messaging from SEGB should therefore be relevant for both and stress the following:

- Accepting a Smart meter is optional, and;
- There is a completely equivalent and fully compliant alternative in Advanced metering

It is important that SEGB are clear and open about the shortcomings of SMETS for businesses, as described in A1, so that consumers can make an informed choice between an Advanced meter or a Smart meter. Broadening the target audience in this way and communicating all options available will accelerate the roll-out in the non-domestic sector and drive engagement by asking consumers to make a real choice.

A.3 Do you agree with the proposal to introduce licence conditions on collaborative working between Smart Energy GB and BEIS?

This should be happening already, we see no need for an additional Licence Condition.

A.4 Do you think that one of the non-domestic representatives on Smart Energy GB's Board should be a non-domestic-only supplier?

Yes, we fully agree with this proposal. Under representation of the non-domestic sector in the SMIP overall is a continual cause for concern and has resulted in negative outcomes for consumers. Ideally, both representatives on SEGB's board should be from a purely non-domestic supplier. This would help to ensure that SEGB communicate all the options non-domestic consumers have, as outlined in our answer to A2. Representatives from suppliers that operate in both sectors face competing pressures that will often end up in favour of domestic due to it being a larger mandate, which defeats the point of them being a non-domestic representative.

A.5.i Do you agree with BEIS' proposal on how to allocate Smart Energy GB's non-domestic costs, and the proposed allocation (Option 1, paragraph 42)? If not, which option would you prefer and why?

We have no comment on this proposal.

A.5.ii As a supplementary question, do you agree with BEIS's proposal on defining a 'large non-domestic supplier as one with more than 100,000 gas or electricity meters? If not, what definition would you prefer and why?

We have no comment on this proposal.

Part B: Access to non-domestic energy consumption data

B.1 Do you agree that providing non-domestic consumers with free access to their energy consumption data would improve non-domestic consumers' engagement with their energy use?

All consumers, regardless of meter type or sector, currently pay for metering and data charges via their standing charge or directly to their preferred agent. We wholeheartedly agree that there should be no additional "point of access" charges that are triggered by a consumer's request to access data they've already paid for.

We strongly believe that this access should be fair, reasonable and non-discriminatory. These were central principles to the SMIP when it was conceived. Unfortunately, they have been compromised by the architecture of the DCC and SMETS2. In order to access their data under this model, non-domestic consumers must either request it via their supplier, pay for a Consumer Access Device (CAD), which they are reliant on their supplier to pair with their HAN, or pay indirectly for 3rd party interfaces into the DCC. None of these options are fair, reasonable or non-discriminatory when compared to the direct access they can have from Advanced meters. By example, the Other User (OU) adapter is limited in functionality and has its service requests de-prioritised in favour of other DCC Users. This is already constraining the efforts of innovators to develop energy management products that will help microbusinesses engage with their energy data.

It is unclear to us whether the DCC platform is currently built to deliver multiple requests for daily profile data for millions of consumers, non-domestic or otherwise. If delivering this incurs additional DCC costs for industry and consumers then the notion of free access to energy data is completely undermined.

B.2 What views do you have on the supplier-to-consumer energy consumption data offer? Do you see the need to set a common standard for the provision of information to encourage non-domestic consumers to engage in energy management, and if so, what data should it include and what format should it be delivered in?

The consultation question only envisages a "supplier-to-consumer" offering but we note that BEIS seeks to encourage the development of new, innovative offerings from other providers. Indeed, many non-domestic consumers prefer to keep their energy supply and energy data providers separate, in order to circumvent the inherent conflict in a supplier offering energy savings insight. In endeavouring to respond to these customer requests in SMETS2, Stark has spent months attempting to engage with the DCC for support in developing our own adapter but have found the process difficult and inaccessible. This needs to be addressed to foster the development of multiple, alternative offerings as envisaged by BEIS.

In terms of format, there is no need to be prescriptive in this area. In our view, it is the customer's data and they should be able to request it in whatever format suits their requirements. This is an area where consumers will benefit from competition as providers develop new formats and distribution methods to meet evolving needs. However, we do see the need for clear Service Levels around access provisions. Whoever is processing an authorised request for access to data should have obligations to share that data within mandated timelines, which should be better defined than "in a timely manner". This should apply equally to suppliers, agents and other parties.

B.3 If changes are made to the data offer, which consumers should this apply to?

If the Service Levels outlined above are implemented, we see no reason why this shouldn't apply to all consumers with sites covered by the Smart metering mandate.

B.4 Do you agree with our proposal to amend licence conditions to allow energy suppliers to access daily consumption data in circumstances where the supplier suspects theft, and for accurate billing purposes, including addressing consumer queries?

Yes, we agree with this proposal.