

CONSULTATION RESPONSE

Submitted: December 2024 | Contact: shannon.montgomery@nea.org.uk

Department for the Economy: Consultation on the Design Plan for the Roll-Out of Smart Electricity Meters in Northern Ireland

About National Energy Action (NEA)

NEA is the national fuel poverty charity, working across England, Wales, and Northern Ireland to ensure that everyone can afford to live in a warm, safe and healthy home.

NEA NI works to overcome the causes and effects of fuel poverty in four main ways. We provide **advice and support** to people struggling to heat their homes affordably; we **campaign and advocate** for policy and regulation to protect the most vulnerable and end fuel poverty; we carry out **research** to raise awareness and find solutions; and we provide **accredited training and qualifications** to improve standards in energy advice.

NEA's work to inform and support the smart meter roll-out in GB

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 for vulnerable and fuel poor consumers.



NEA has carried out the following research to inform the smart metering programme in GB - links are provided for further information:

• **Smart for All** (2013)

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.

• <u>Developing an Extra Help Scheme for Vulnerable Smart Meter Customers</u> (2014)

NEA for Citizens Advice

This research looked at how suppliers and other stakeholders can help vulnerable consumers through the smart meter change.

• **SMART-UP** (2015-2018)

EU-funded project across five countries

NEA's 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.

As well as policy and research, NEA has been involved in supporting the practical delivery of the smart metering programme in GB - links are provided for further information:

energywise (2015-2018)

NEA a partner on the UK Power Networks led project

The project explored how fuel poor customers can benefit from a smart meter and participate in energy saving and demand side response opportunities.

• Smart Energy GB in Communities (2016 - Ongoing)

NEA working with Smart Energy GB

This work involves administering grant funding to organisations from the voluntary and public sector to deliver their own smart meter projects and support to people in vulnerable circumstances. Since the programme



commenced, NEA has developed and delivered smart meter training to upskill thousands of frontline professionals and volunteers.

• <u>Consumer Reference Group (CRG)</u> (Ongoing)

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

• Smart Meter Symposium (2024)

On 11 July 2024, NEA held its first smart meter symposium, bringing together a range of stakeholders to discuss benefits, challenges and opportunities for making the roll-out a success.

In 2024, NEA has been delivering a new smart meter focused programme of work, providing training to frontline advisers and awareness raising sessions directly to householders in communities across England and Wales. We will also be implementing a practical and research project around delivering the benefits of smart meters via social housing in London.

Our Response to this Consultation

Question 1. Do you agree with the guiding principles for the programme? Yes/No - and why.

Yes, we agree with the guiding principles for the smart metering programme. We particularly welcome the commitment to ensuring that consumers are at the heart of smart metering (2.3) and the commitment to enable all consumers, especially the vulnerable, to participate and benefit from the programme (2.13).

These principles align with our mission to end fuel poverty, as NEA believes that smart metering has the potential to provide real benefits for vulnerable and low-income households. In particular, we are supportive of the capacity of smart meters to end estimated billing, to provide greater control over personal energy use, and to



make payment for 'pay as you go' energy and the provision of emergency support more convenient.

However, these benefits will only be realised if individuals are effectively engaged and supported throughout their smart meter journey. Therefore, we agree with the commitment to consumer engagement, participation, and supporting consumers' behavioural change (2.4).

The focus on fairness, transparency, and equitable costs and benefits **(2.13)** aligns with our support for a Just Transition. The commitments to the safeguarding of personal data **(2.5 – 2.8)** will support fostering consumer trust and engagement, which are vital for success of the smart metering programme.

Question 2. Do you have any further suggestions?

We are concerned by some comments that suggest In-Home Displays (IHDs) will not be a requirement of this smart meter roll-out, and we strongly oppose this. Recent research by Citizens Advice on the roll-out in GB found that IHDs are an important part of the smart experience as they allow consumers to see how much energy they are using in near real-time¹. Additionally, the research found that consumers benefit from a range of means to access their consumption data, including using a mobile app alongside an IHD.

Where consumers are given access to an IHD that meets their needs and are supported by their supplier if things go wrong, IHDs help consumers better understand the functionalities of their smart meter and maximise its benefits. Clear training and information on how to use IHDs is essential.

Question 3. Do you agree with the overarching roles that have been set out for each of the organisations above? Yes/No and why/why not?

Yes, we agree with the overarching roles set out for the organisations (3.5). We support this structured and collaborative approach, and the particular emphasis on consumer protection and engagement, led by the Consumer Council.

However, we do have some questions about the sub-group. In particular, how we can be involved and engage with this group? We would like to fully engage with this

¹ Citizens Advice, (2024). 'Get Smarter: Ensuring people benefit from Smart Meters', pp. 15-17.



group, drawing on our expertise and experience supporting fuel poor households and the smart meter roll-out in GB.

In addition, NEA NI agrees that the Information Commissioner's Office (ICO) should be involved from the start. This is essential to ensure safeguards for consumer data. Any guidance from the ICO should be communicated clearly to all suppliers and network operators from the outset.

Question 4. Are there other organisations not mentioned who will need to be assigned a role – please suggest?

As noted above, NEA NI offers expertise from our extensive experience of supporting fuel poor households and the smart meter roll-out in GB. We want to be a part of / actively support the sub-group for the smart meter roll-out.

Question 5. Do you agree that consumer representatives should be involved in the design of the requirements for the new systems and procurement as part of a co-design group? Yes/No - please comment.

Yes, we fully agree that consumer representatives should be involved as part of a codesign group. This approach aligns with the guiding principle of placing consumers at the heart of smart metering **(2.3)**. We believe consumer engagement from the start will be essential to support the success of the smart electricity meter roll-out in NI, by helping to ensure consumer's needs and rights are prioritised.

Smart meters provide an opportunity for consumers to become more informed of their personal energy usage and costs to make sensible and safe adjustments. However, as outlined at **4.2**, various factors influence consumers' willingness and ability to change their behaviour – including awareness, confidence, information/support, and opportunity – particularly for more vulnerable consumers. Involving consumer representatives is essential to addressing these factors and designing systems that are accessible, user-friendly, and meet the diverse needs of all domestic and non-domestic consumers. It is paramount that the design of the roll-out plan does not exacerbate existing inequalities in Northern Ireland and learns from the mistakes of the roll-out elsewhere.



Additionally, involving consumer representatives in procurement will help to ensure accessibility and functionality in all aspects, which is especially important since it is proposed that the costs of the news systems will be borne by all consumers through the billing process (4.6).

Question 6. Do you agree that the language used in this initiative should be reviewed by consumers, and are there titles other than 'smart metering programme' that should be considered for the roll-out?

Yes, we agree that the language used in this initiative should be reviewed by consumers. All language used to communicate the roll-out of smart maters will be important in the context of consumer buy-in and engagement. Through the approach of co-design, consumers and consumer representative bodies should review language used.

Question 7. Do you agree that the roll-out needs to be sensitive to the needs of different groups and that the Oversight Group along with consumer representatives should review all aspects of consumer protection to ensure needs are met? Yes/No – please comment.

Yes, NEA NI fully agrees that the roll-out must be sensitive to the needs of different groups. The involvement of the Oversight Group along with consumer representatives is essential to ensuring all aspects of consumer protection are thoroughly reviewed and that the needs of low-income and vulnerable groups are addressed effectively. It is paramount that the design of the roll-out plan does not exacerbate existing inequalities in Northern Ireland.

We recommend that the Oversight Group develops a tailored engagement strategy for different groups. Additionally, consumer representative bodies and the voluntary and community sector could play a role in actively reaching out to vulnerable groups.

In identifying vulnerable households, we believe considerations should be given to the following groups, as well as others, who often face unique challenges in terms of their energy-usage²:

² For more information see: Fuel Poverty Coalition for Northern Ireland, (2023). <u>'A New Fuel Poverty Strategy for Northern Ireland'</u>, pp. 10-11.



- Households which include older people, babies, and young children
- Households that use pre-payment meters (PPM)
- Households with disabilities and medical conditions including mental health issues
- Digitally excluded households
- People living in different tenures
- People living in rural areas
- People living in border areas
- Households where English is not the primary language

Embedding sensitivity into the design of the roll-out will help to develop tailored solutions to address varied consumer needs and build consumer trust and engagement.

Question 8. Do you agree that some consumers may have limited scope to cut down on energy consumption or use a smart meter? Yes/No – please comment and if so do you have any recommendations to help support these consumers - yes/no – please comment.

Yes, some consumers may currently have limited scope to reduce their energy consumption or use a smart meter, for a variety of reasons. However, steps should be taken to enable as many consumers as possible to access and benefit from the smart meter roll-out. Additionally, low-income and vulnerable groups should be better supported to manage energy affordability, particularly where they have limited scope to cut down on energy consumption.

For example, **vulnerable groups**, such as those with medical equipment needs or disabilities, or those on low incomes, may face additional challenges adjusting their energy usage. To support consumers with limited scope to cut down on energy consumption, we recommend **targeted financial support**. This includes investment in making the **fabric of homes more energy efficient** and measures to boost incomes, in response to the ongoing cost of living crisis. Specifically, NEA NI has long been calling for the introduction of an **energy social tariff** to provide discounted, targeted energy bill support to those in greatest need.



Additionally, tenants living in the **Private Rented Sector (PRS)** may face additional challenges getting a smart meter installed. From our experience supporting the smart meter roll-out in GB we are aware that there is sometimes confusion in the PRS whether the bill payer has the right to have a smart meter installed. In our advice, we outline that if a consumer rents their home and the energy bill is in their name, then it is their choice to have a smart meter installed. If a consumer's lease says they need the landlord's permission to change the meter, Ofgem, the GB energy regulator, says they should not say no unreasonably³. We recommend that the Oversight Group, particularly the Utility Regulator, considers this issue in the design of the roll-out process and ensures that the **necessary regulatory framework** is put in place to support the roll-out and enable consumers in PRS to easily access smart electricity meters.

Additionally, those in areas with **poor connectivity**, may face additional access challenges to using or installing a smart meter. To support these consumers, we recommend **investment in infrastructure** to ensure rural or poorly connected areas can benefit.

The smart electricity meter roll-out will be a challenging journey for many households as they will be required to learn new skills and adopt new behaviours to make efficient use of the technology. Provisions are needed to support this change and make the transition as simple as possible for energy users. It is imperative that there is **clear information and advice for all**, including in alternative formats.

It is also essential that this roll-out includes the **provision of an in-home display (IHD)**, to help consumers better understand the functionalities of their smart electricity meter and maximise the benefits. We are concerned by some comments that suggest IHDs will not be included in this roll-out, and we strongly oppose this.

Question 9. Do you have any comments on the plan to review the needs of small businesses in order to consider installation and longer-term support for this group? Yes/No – please comment.

N/A

³ For more information visit: https://www.nea.org.uk/get-help/resources/know-more-about-smart-meters



Question 10. Do you agree that suppliers (working with wider industry) should develop time of use or dynamic tariffs so that consumers can take advantage of lower prices at certain times of the day or when there is an abundance of renewable energy in the system? Yes/No- please comment.

Yes, we strongly agree that suppliers, in collaboration with the wider industry, should develop time of use or dynamic tariffs for consumers in Northern Ireland. This is necessary so consumers can maximise the benefits from their smart meter. Time of use or dynamic tariffs can help reduce energy costs for some consumers, by shifting their energy usage to times when prices are lower or renewable energy is more abundant in the system.

However, it is essential that these tariffs are made accessible and beneficial to all consumers. Consumers will need to be made aware of these tariffs and any possible energy-related behavioural change required for them to be effective and why. Clear information and advice for all, including in alternative formats, will be important to maximise consumer benefits, wide adoption, and ensure no one is left behind.

Question 11. Do you agree that a coordinated plan is needed to allow trusted organisations to deliver consumer information, advice and support at appropriate points throughout the consumer journey? Yes/No – please comment.

Yes, we agree. NEA believes that smart metering has the potential to provide real benefits for vulnerable and low-income households, but only if these individuals are effectively engaged and supported throughout their smart meter journey. A clear, collaborative and coordinated plan is essential to ensure all consumers have access to information, advice and support that is reliable, timely and in accessible formats.

NEA has extensive experience supporting fuel poor households and the roll-out of smart meters in GB. Our website includes a wealth of information and advice on



smart meters for both advisors⁴ and consumers, including frequently asked questions about smart meters⁵ and advice on understanding your In-Home Display (IHD)⁶.

Question 12. Do you have any comments on our overall approach to data privacy and consumer consent?

NEA NI fully recognises the importance of robust data privacy protections and ensuring informed consumer consent throughout the smart electric meter roll-out. As outlined at **4.22**, consumers need to trust that the way their data is held is safe and secure. This trust must be earned and maintained through transparent, clear, and accessible information about how data will be collected, used, and stored. This consumer trust is essential for the success of the smart meter roll-out.

Additionally, we support the approach outlined at **4.17**, including that a sub-group will work with the Information Commissioner's Office (ICO) to ensure the highest standards are met. As stated above, the ICO should be involved from the start of the design process for the smart electricity meter roll-out. Any guidance should be communicated clearly to all suppliers and network operations.

Question 13. Do you have any comments on the proposal to allow trusted organisations to have access to aggregated and anonymised data for lawful purposes?

Consumer reluctance around utilising their smart meter data may come from concerns about data protection and privacy. If data is going to be used by trusted organisations, then this needs to be fully teased out by the Oversight Group and subgroup. Consideration must be given to who these trusted organisations will be and for what purpose they will access and use this data. Consumer consent regarding their data must be well-informed by transparent, clear, and accessible information.

Question 14. Are there any other specific organisations who should be included to give advice to the data management workstream?

⁴ For more information see: https://www.nea.org.uk/smart-meters/smart-meter-guidance-for-advisers/

⁵ For more information see: <u>https://www.nea.org.uk/get-help/frequently-asked-questions-about-smart-meters/</u>

⁶ For more information see: <u>https://www.nea.org.uk/get-help/resources/know-more-about-smart-meters/</u>



N/A

Question 15. Do you agree that the Oversight Group should develop a list of functional requirements for the meters and data systems to be discussed with industry and consumer representatives? Yes/No- please give further detail.

Yes, NEA NI agrees that the Oversight Group should develop a list of functional requirements for the meters and data systems, in collaboration with industry and consumer representatives. We recommend the Oversight Group prioritises consumer engagement and representation at every stage of the roll-out process, to ensure it reflects the needs of all user groups, particularly fuel poor households.

We agree with the need to set minimum functional and technical requirements in the early stages of the roll-out design **(5.1)**. This is important to reduce the risk of technical issues, control costs, enhance customer satisfaction, allow ease of use, and enable interoperability **(5.2)**. The latter is crucial to ensure consumers are still able to easily switch supplier if they wish, which is a critical element of our energy market.

Consumer representation throughout the whole process is also essential since it is proposed that consumers will bear the costs of the roll-out in their bills. Consumer engagement will assist in striking the right balance between the cost, consumer satisfaction, security, and long-term sustainability of the system. We believe the proposal to use tried and tested off the shelf meters and systems rather than designing a bespoke system (5.11) is pragmatic, to manage costs for consumers. However, it must be ensured that these systems can be adapted for Northern Ireland's specific needs, remain upgradable over time, and have a lengthy minimum life requirement.

Question 16. Can you suggest any improvements to the current payment system for both credit and prepayment meters that should be requirements for the procurement process?

NEA NI recommends the following improvements as requirements for the procurement process:



- At a minimum, smart electricity meters should retain all payment options currently available to consumers, ensuring no reduction in accessibility or choice.
- While we fully agree with the need to support existing safeguards outlined at
 5.5, such as emergency credit, overnight credit, friendly credit, and debt recovery, smart meters provide an opportunity to expand safeguards by using data more proactively. Smart meter data should be utilised not only during emergencies but proactively to prevent them. For example:
 - Providing advance alerts for potential disconnection.
 - Offering tailored advice and interventions based on usage patterns to avoid debt accumulation.
 - Improving communication between suppliers and consumers to resolve issues more effectively.
- Smart meters should be designed to be **more interactive** than current credit and prepayment meters, providing consumers with greater insights and tools to manage their energy use and payments more effectively.
- Smart meters should provide **clear, real-time information about debt recovery**. This could involve detailing how much of each top-up is allocated toward debt repayment, helping consumers better understand and manage their financial commitments.

NEA NI remains available to provide further input on these issues and looks forward to the continued engagement in the development of the smart meter roll-out.

Question 17. Commercial mobile networks, private radio frequency, power line communication and Broadband will be explored as potential communications methods to transfer smart meter data. Do you agree these are the main methods and are you aware of any other ways this can be done? Yes/No- please give further detail.

Yes, we agree that these are the main methods. We recommend that the Oversight Group considers lessons learned from smart meter roll-out elsewhere to determine



the best and most widely accessible methods to transfer smart meter data in NI. We do not recommend a Broadband only option for NI as this would make smart meters less accessible to those who are digitally excluded or in areas of poor connectivity.

In GB, smart meters and in-home displays (IHD) communicate via a secure national network which is solely for smart meters, using radio waves. In areas with poor mobile telephone reception, consumers can contact their energy supplier and insist they install a second-generation meter, or SMETS2, that is not reliant on the mobile phone network⁷. Similar provisions should be made available for NI consumers. NI's smart meter roll-out should include the provision of IHDs.

Question 18. Do you agree with the strategic goal that all consumers should have smart meters? Yes/No – please give reasons.

Yes, NEA NI agrees with the strategic goal that all consumers should have smart meters. NEA believes that **smart metering has the potential to provide real benefits for vulnerable and low-income households**, but only if these individuals are effectively engaged and supported throughout their smart meter journey. In particular, we are supportive of the capacity of smart meters to end estimated billing, to provide greater control over personal energy use, and to make payment for 'pay as you go' energy and the provision of emergency support more convenient.

We know that many low-income consumers ration their energy use, particularly during the winter due to fear of a shock bill. Smart meters will help put consumers in control of the energy they are using and give them clear oversight of the cost. They are also part of the journey towards a **more flexible energy system**, where eventually consumers in Northern Ireland will be able to access variable tariffs including those which reward using energy at 'off-peak' times. NEA NI wants to ensure that vulnerable and low-income consumers have access to information and support to **ensure no one is left behind in this transition**.

For the small number of consumers and households where a smart meter will not be technically feasible **(6.9)**, solutions and mitigations must be put in place early in the roll-out process, to ensure these consumers are not left behind or unfairly

⁷ Information from: https://www.smartenergygb.org/faqs



disadvantaged. We recommend the Oversight Group and sub-group considers this urgently.

NEA NI is focused on ensuring that vulnerable and low-income consumers can benefit from the smart meter electricity roll-out, especially if this is a policy that every household will be paying for. Our concerns are based on evidence that, without additional support and effective tailored engagement, some vulnerable householders will not have sufficient understanding of how to interact with their inhome display (IHD) or how to act appropriately on the information it provides. At best, this means they could miss out on the opportunity to make sensible adjustments to their energy-usage behaviour and at worst, they could ration their energy usage to a level that is detrimental to their health and wellbeing.

We are committed to continued engagement with the Department for the Economy and the Utility Regulator, and engagement with the future Oversight Group for the smart electricity meter programme, to advocate that **consumers are properly protected**, **engaged**, **and supported** throughout the smart meter roll-out.

Question 19. Do you have any comments on which groups of consumers might be prioritised at the outset to receive a smart meter and which groups should wait for longer or which approach might be most suitable? Please comment.

NEA believes prepayment meter (PPM) should be prioritised at the outset to receive a smart meter, alongside other vulnerable groups.

In identifying vulnerable households, we believe that considerations will need to be given to each of the following groups, as well as others, who often face unique challenges in terms of their energy-usage⁸:

- Households which include older people, babies, and young children
- Households that use pre-payment meters (PPM)
- Households with disabilities and medical conditions including mental health issues
- Digitally excluded households

⁸ For more information see: Fuel Poverty Coalition for Northern Ireland, (2023). <u>'A New Fuel Poverty Strategy for Northern Ireland'</u>, pp. 10-11.



- People living in different tenures
- People living in rural areas
- People living in border areas
- Households where English is not the primary language

NEA believes PPM customers have potentially the most to gain from the installation of a smart meter. Through smart prepay tariffs, customers could have the ability to top-up online. This could help prevent long periods of self-disconnection occurring due to affordability, 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.

These benefits have been demonstrated by the smart meter roll-out in GB, as through the energy crisis, positive outcomes for smart gas PPM customers have been strong in contrast to those who still need to rely on legacy gas PPMs. The administration of the Energy Bills Support Scheme is a key example, whereby smart gas PPM customers had this discount automatically added to their account, unlike traditional gas PPM customers, who were issued with vouchers they had to physically redeem before they expired. While this roll-out in NI refers to only smart electricity meters for now, these learnings can still be applied. In addition, the experience in NI and GB of cheap gas meters is a lesson NI should learn from moving forward and not repeat.

In prioritisation of PPM customers, NEA NI believes supplier's Customer Care Registers should be utilised to determine which customers in greatest need could benefit most from the security of moving from a PPM to a smart credit meter. This should be teased out further by the Oversight Group and sub-group.

Additionally, smart PPM can also help identify customers most at risk of selfdisconnection as suppliers will be better able to monitor PPM usage through smart meter data and then support those customers.

Question 20. Would the same approach be appropriate for the non-domestic sector as for the domestic sector? Yes/No – please give reasons.

N/A



Question 21. Do you agree that the Oversight Group should set targets and provide reporting at various stages? Yes/No and would you like to comment or provide information which may be relevant in relation to reporting or setting out a roadmap? Yes/No – please comment.

Yes, NEA NI agrees that the Oversight Group should set targets and provide periodic reporting - to monitor progress and ensure accountability. It is important that this monitoring and reporting focuses on both the quality of installations as well as the quantity of meters installed. Any targets and goals should be clearly communicated and accessible to consumers and advisors. This is so consumers know when they should be able to get a smart meter from their supplier and how they will be able to benefit from the smart electricity metering programme, irrespective of any additional barriers they may face.