Department for Energy Security & Net Zero

An information leaflet on the Smart Meter Implementation Programme for the Better Buildings Partnership

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Department for Energy Security & Net Zero

- This slide pack provides info for the Better Buildings Partnership on the Smart Meter Installation Programme (SMIP) – what it's about; what different kind of meters there are; the responsibilities of some of the organisations involved in it; and how it's progressing.
- This pack focuses on the non-domestic sector. It is intended to inform your update of the Green Lease Toolkit, by providing additional context for your Steering Committee and Legal Working Group.
- We hope these slides are useful to inform any further updates to your toolkit (e.g. accuracy of wording with regards to the smart meter rollout).

Background to the non-domestic smart meter rollout

- Smart meters are replacing traditional gas and electricity meters in small businesses and public sector sites (as well as homes) across Great Britain as part of an important upgrade to the national energy infrastructure.

- It has been estimated that the rollout of smart meters to non-domestic sites within the smart meter mandate will lead to £1.5 billion of energy consumption reductions, driven by these consumers engaging with their smart meter data and identifying ways to reduce their energy use.

- Policies concerning the smart meter rollout are set by the Department for Energy Security and Net Zero (DESNZ) and are enforced by Ofgem.

- Energy suppliers are responsible for installing meters and must comply with their licence conditions, including those relating to the smart meter rollout.

Who's covered by the Non-Domestic Smart Meter Rollout?

Non-domestic sites in scope of the smart meter rollout are described as "in scope of the non-domestic smart metering mandate". This covers sites in electricity profile classes 1-4 or with gas consumption below 732 MWh/year, which tend to be smaller sites. Those requiring large electricity and large gas supplies (profile class 5 – 8 and 00, e.g. Half Hourly Measurement) are required by energy supply licence conditions (regulated by Ofgem) to have Advanced Meter Reading (AMR) meters fitted.

The **Advanced Meter Consumer Choice Policy** means: All microbusinesses covered by the smart metering mandate must be offered by their supplier a smart meter that complies with the latest **Smart Metering Equipment Technical Specifications (SMETS)**; whilst non-microbusinesses within the mandate can be offered a choice of SMETS or **Advanced Meter Reading (AMR)** meters.

Suppliers are permitted to offer SMETS only metering to their non-microbusiness customers if they wish. However, where a supplier chooses to offer an advanced meter, the choice must also include the offer of a SMETS meter. This policy does not apply to microbusinesses, where suppliers are required to offer SMETS meters by default subject to roll-out duty exceptions (see glossary).

The government is committed to ensuring that households and small businesses can benefit from smart meters as soon as possible. To meet this ambition and to drive smart meter installations, we introduced a 4-year Targets Framework in January 2022. Under this Framework energy suppliers are set individual annual smart meter installation targets on a trajectory to 100% coverage, subject to annual tolerance levels that apply across industry but are specific for the domestic and the non-domestic sectors.

What different kinds of meters are available?

Smart meters can automatically send up to half-hourly energy consumption data to an energy supplier, ensuring accurate billing. There are two types of smart meters in the non-domestic market:

- **Automated/Advanced Meter Reading (AMR) meters**, and:
- Meters which meet the **Smart Metering Equipment Technical Specifications (SMETS meters).**

The amount of information they provide is different. Both give energy usage information whereas SMETS meters also provide tariff information.

Meter type	Information
Traditional meters:	These meters simply register a running total of energy used. Unlike SMETS / AMR meters they can't record half-hourly price and consumption data or provide automatic meter readings to an energy supplier. Therefore, they require manual meter readings by the customer.
SMETS meters:	These are meters which are compliant with the Smart Meter Equipment Technical Specification (SMETS) and connect to the Data Communications Company (DCC). They have functionality such as being able to transmit meter readings to energy suppliers and receive data remotely. They can also connect to Consumer Access Devices over the Home Area Network.
Advanced meters:	These meters must, at minimum, be able to provide half-hourly electricity and hourly gas data that can be remotely accessed by an energy supplier. They do not, however, connect to the Data and Communications Company, as SMETS meters do.
Sub Meters:	A device installed on an asset with an energy supply to record the amount of energy it uses. Unlike the primary utility meter, which typically measures the overall consumption for the entire premises, sub-metering involves installing additional meters to track usage within smaller sections, such as individual dwellings in a multi-tenant building.

Installing and maintaining a meter – who's responsible for what

Who requests the installation?
Businesses that rent space and pay their own energy bills can ask their supplier to install a smart meter, or they may be contacted directly by the supplier. They may need to check with their landlord that any changes to the meter are allowed within the rental contract. Smart meter offerings may vary between energy suppliers, with different Ts & Cs. Businesses which work with a Third-Party Intermediary (TPI) or broker, can contact them directly to request a smart meter. Alternatively, a landlord or tenant not using a TPI would arrange the installation with the energy supplier themselves.

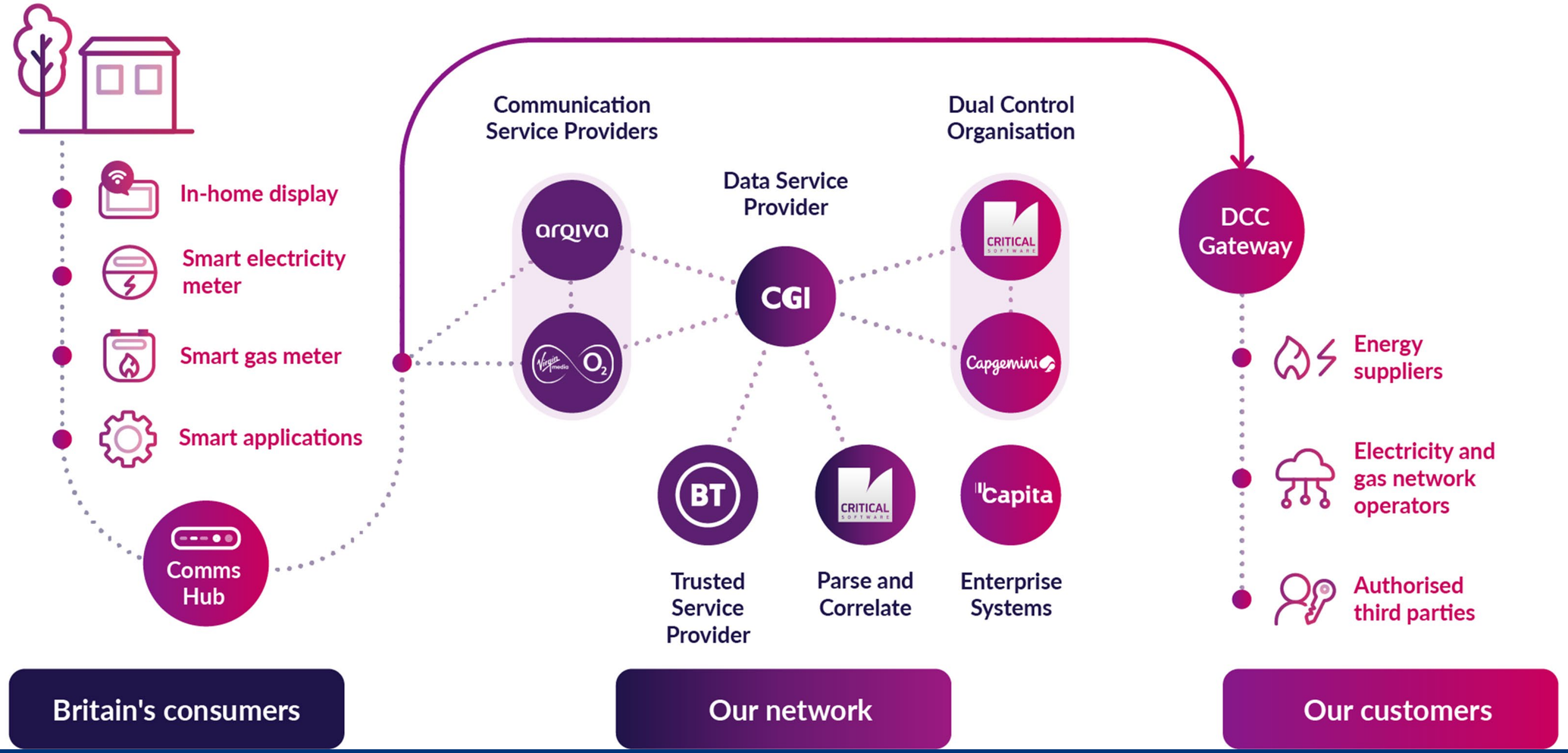
Who installs the meter?
The supplier can do this themselves or appoint a Meter Operator (MOP) - also known as a Meter Equipment Manager (MEM) - to physically install and maintain the smart meter. After the installation process is complete, the trained installer can demonstrate how the smart meter works and answer any questions. Installations normally take about two hours and are arranged in advance.

Although smart meter installations are at no additional cost to the energy bill payer, it should be noted that more extensive Building Energy Management Systems (BEMS) / sub metering systems could come at a cost. Equally, where remedial works are required to the premises before a meter upgrade can take place this could come at a cost to the customer.

If the meter was faulty, the bill payer - landlord or tenant - would notify the supplier, who should then remedy this. Energy suppliers have an ongoing obligation to keep customers' smart meters operating in smart mode, which Ofgem is responsible for regulating.

The Data Communications Company (DCC)

Part of Capita PLC, the DCC is a monopoly company that operates under the Smart Meter Communications Licence, regulated by Ofgem. It's responsible for linking SMETS smart meters in homes and small businesses with energy suppliers, network operators and energy service companies. To do this, DCC runs the national communications network. This means that consumers can regain and keep smart services if they switch supplier. Advanced Meters do not connect to the DCC network. Below is a diagram of the DCC's smart meter network ecosystem.



Non-domestic smart metering data policy

Changes to energy supplier licence conditions were made in 2022 to improve the data offer that non-domestic energy customers receive with their smart meter. These changes were as follows:

- **An on-request data offer** - All non-domestic consumers and their nominated third parties can request free access to up to 12 months of their historic smart meter energy use data. Energy suppliers must respond within a time limit. This also applies to non-domestic users who fall outside of the smart metering mandate, i.e. industrial and commercial sites. Suppliers must respond to data access requests within 10 working days, either granting data access (where all legal requirements are met) or clearly outlining why the request has been rejected and next steps. Cooperating landlords and tenants can act as the 'nominated third party' of each other to utilise this policy.

- **Awareness raising requirements with respect to data** - Energy suppliers must regularly raise awareness amongst their non-dom customers of the routes by which they can access, or nominate a third party to access, their smart meter energy use data for free.

- **A default data offer** - From 1 Oct. 2024, energy suppliers will be obliged to provide or make available free and regular user-accessible energy use information to smaller non-domestic customers with smart meters, for example, via an app, data tool or online platform.

Further information can be found at: https://www.gov.uk/government/consultations/maximising-non-domestic-smart-meter-consumer-benefits-improving-the-data-offer-and-enabling-innovation.

Further information

- Data Communications Company: https://www.smartdcc.co.uk/our-smart-network/what-are-smart-meters/.
- Information and Commissioners Office (ICO) – What is personal data? See: https://ico.org.uk/for-organisations/uk-gdpr-guidance-and-resources/personal-information-what-is-it/what-is-personal-data/what-is-personal-data/
- Ofgem: Energy Non-Domestic Consumer Advice: https://www.ofgem.gov.uk/publications/energy-non-domestic-consumer-advice-autumnwinter-2022.
- Public Sector Smart Meter Guide: An introductory guide to smart meters for smaller sites in the public sector including schools and local authorities: https://assets.publishing.service.gov.uk/media/64945fff83131100132961f6/smart-meters-public-sector-guide.pdf.
- Smart Meter Statistics in Great Britain: Quarterly Report to end December 2023: https://www.gov.uk/government/collections/smart-meters-statistics.