
Smart meters

A case study

Eleanor Mack

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Context

- Need for energy companies to balance load/capacity
- Smart metering technology developed
- Energy Services Directive 2006
- DECC established and looking for a flagship policy

Aims of the Smart Meter Rollout Programme

To roll out smart metering to all GB residential gas and electricity customers in a cost-effective way,
which optimises the benefits to consumers, energy suppliers, network operators and other energy market participants
and delivers environmental and other policy goals

Offer a smart meter to every domestic customer in the UK

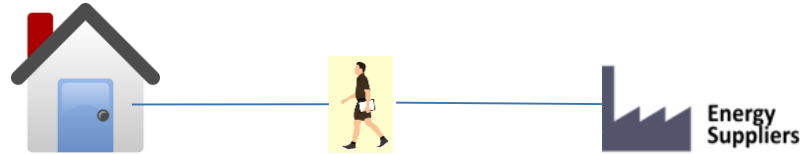
Get timely and accurate bills to customers

Send price signals to customers so they can make better choices about energy use

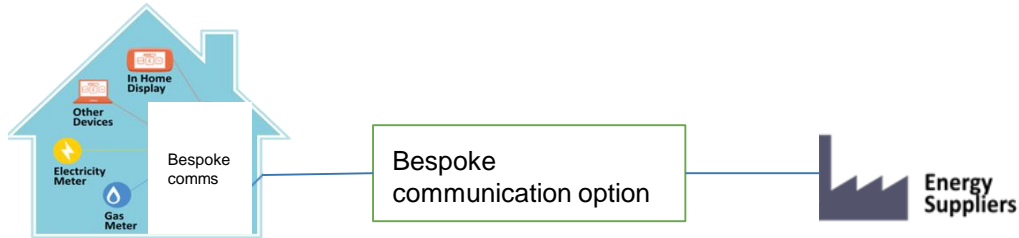
Reduce cost to energy companies

The Data Communications Company

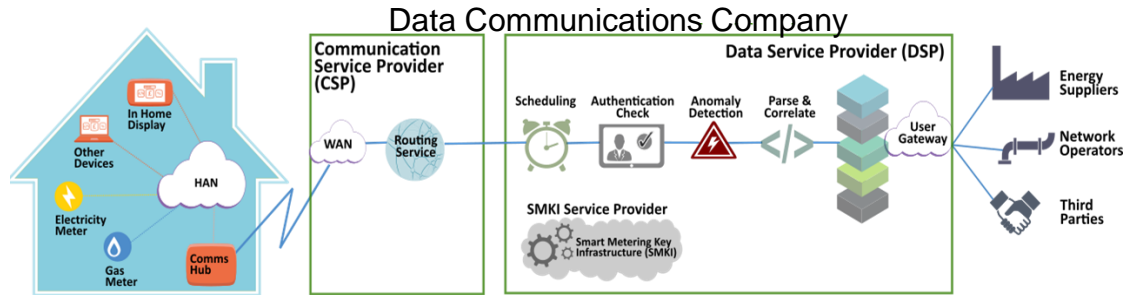
Non-smart meters



SMETS 1



SMETS 2



Implementation in practice

- Foundation stage (2011-2016) two years late
- Main installation stage (2016-2020)
 - 9m installed as of December 2017
 - Only 3 years left to install 44m meters
 - Only 300 SMETS 2 meters installed nationwide
 - Some functionality not yet tested

How did we get here?

In 2009, there were six “big” energy companies.

- Now there are 76 suppliers, 13 supplying more than 250,000 customers

Policy goals were unclear and subject to drift

Implementation was overly detailed and inflexible

Policy issues

Big complex project

- Consider breaking into smaller self-contained projects

Inflexibility at end – everything in the meter

- Specify objective rather than detailed delivery route

Customer engagement lost

- Use the market to engage the customer

Implementation issues

Delays

- In a cross-cutting project, government has to build in contingency

Inefficiency

- Keep eyes on the goal, not solving immediate problems

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Where next for Smart Meters?

Accept that 10m+ meters will be SMETS 1

Split the physical meter from the data use

Consider making roll-out optional rather than mandatory

Fingleton Associates

10 Haymarket

London SW1Y 4BP

Office: +44 20 3730 9090

Email: info@fingletonassociates.com

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