



An Coimisiún
um Rialáil Fóntas
**Commission for
Regulation of Utilities**

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Commission for Regulation of Utilities

Smart Meter Upgrade

Smart Meter Allocation Consultation Paper

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Executive Summary

The smart meter upgrade will introduce smart meters across all Irish homes and business over a six-year period (2019 - 2024). It will be delivered in a phased approach, commencing with an initial delivery of 250,000 meters over 2019 - 2020. The First phase will predominantly be a meter replacement programme for customers whose current meter has reached maturity and requires replacement. From 2020 the delivery of smart meters will significantly increase as approximately 500,000 smart meters will be installed in each of the four subsequent years, which cover both Phase 2 and Phase 3. The allocation of smart meters during all three phases will be across all customers through ESBN's installation plan. Customers will have the opportunity to request a smart meter and those customers who do will be prioritised in the smart meter installation plan.

This document sets out requirements proposed by the Commission for Regulation of Utilities (CRU) for ESB Networks (ESBN) and electricity suppliers to comply with in providing customers with access to smart meters throughout the rollout. These proposed requirements aim to meet three overarching goals for the delivery of smart meters: Customer Empowerment and Protection; Fair Competition Across Suppliers; and Optimal Delivery. Each of the proposed requirements are outlined with a rationale of the CRU's reasoning for including it. The CRU is seeking views on each of the proposals and coinciding rationale for their inclusion. The proposed requirements are as follows:

1. Customer requests will be prioritised in meter allocation where reasonably practicable
2. ESBN shall not deliberately favour any supplier in the rollout and delivery of smart meters
3. Suppliers must aid and facilitate customers on their smart meter journey
4. The obligations set out in the Supplier Handbook are enduring and applicable for all smart metering activities
5. Suppliers cannot discriminate against customers with a smart meter

The purpose of this document is to invite responses upon the proposed requirements that will underpin the allocation of smart meters throughout the duration of the rollout. The responses to the paper will be used to inform and develop the requirements set out for smart meter allocation, which will be finalised and published in a subsequent decision paper.

Responses are invited before close of business on the 26th of February 2019.

Public Impact Statement

Smart meters are the next generation of electricity meters. These new smart meters will replace older mechanical meters and, when fully operational, will bring benefits to the consumer, the environment and the economy. The smart meter upgrade is a plan for transforming how electricity consumption is measured and paid for. The new systems and processes will provide customers with more accurate bills, better and more accessible information about energy use, and access to new tariffs and services.

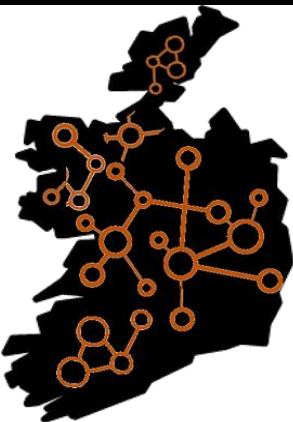
The programme will involve the nation-wide replacement of over two million electricity meters, affecting all customers over a six-year period. Smart meters will make it possible for customers to have better information on their actual energy usage, end estimated bills and introduce new smart services and products such as Time of Use tariffs and smart Pay-As-You-Go. This will empower customers to take control of their energy usage and make more informed decisions about their energy usage.

Smart meters will be installed over three phases. The First phase will begin with the delivery of 250,000 meters over 2019 - 2020. From 2021 the delivery of smart meters will significantly increase as approximately 500,000 smart meters will be installed in each of the four subsequent years, which cover both Phase 2 and Phase 3. This will be across all customers through ESBN's installation plan. Customers will have the opportunity to request a smart meter and customers who do so will be prioritised in the smart meter installation plan.

The delivery, installation and support of smart meters alongside the new features they provide will bring about additional roles and responsibilities for both the electricity network provider (ESBN) and electricity suppliers. This will require appropriate safeguards to be in place for the rollout and allocation of smart meters to ensure it is delivered in a manner that empowers and protects customers, delivers value for money and supports competition within the market.

This paper proposes five requirements for ESBN and electricity suppliers to comply with when providing customers with access to smart meters and seeks responses on each.

Smart Meter Allocation Overview



By 2024 all Irish homes and business will have a smart meter

Customers can request prioritisation for smart meter installation



Smart meters will provide many benefits to energy customers including:

Empowerment  Greater knowledge and control over actual energy usage	Choice  Easier switching and new tariff & product offerings	Control  Accurate and timely bills to avoid estimation and enable budgeting	Innovation  Facilitate prosumers, smart products and energy communities
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Smart meters will be installed over three distinct Phases.

	Phase 1	Phase 2	Phase 3
Timeline	2019 - 2020	2021 - 2022	2023 - 2024
Meters Installed	250,000	1,000,000	1,000,000
Capabilities at End of Phase	Record import/export energy usage every 30 minutes Meter read remotely	Pay-As-You-Go	Real-time energy usage information Microgeneration

Smart meters will be delivered adhering to the following:

	Customer Empowerment and Protection
	Fair Competition Across Suppliers
	Optimal Delivery

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Glossary of Terms and Abbreviations

Abbreviation or Term	Definition or Meaning
CRU	Commission for Regulation of Utilities
ESBN	ESB Networks
MPRN	Meter Point Reference Number – a unique 11-digit number assigned to each electricity connection and meter.

1. Introduction

1.1 Background

1.1.1 Smart Meter Upgrade

The smart meter upgrade will involve the nation-wide replacement of over two million electricity meters over a six-year period. ESB Networks (ESBN) as the meter asset owner, will be responsible for planning and implementing the replacement of the current analogue meters with smart meters. Smart meters will provide greater consumption granularity and facilitate remote two-way communication and operation.

The delivery of smart meters in Ireland will be carried out by ESNB in three distinct phases:

	Phase 1	Phase 2	Phase 3
Timeline	2019 - 2020	2021 - 2022	2023 - 2024
Meters Installed	250,000	1,000,000	1,000,000
Capabilities at End of Phase	Record import/export energy usage every 30 minutes Meter read remotely	Pay-As-You-Go	Real-time energy usage information Microgeneration

The available capabilities of the smart meters (outlined in the table above) will go live and become accessible at the end of each phase¹. Throughout, all the phases customers will have the opportunity to request a smart meter by contacting their supplier or ESNB.

1.1.2 Purpose of this Paper

This document sets out the CRU's proposed requirements for ESNB and electricity suppliers in providing customers with access to smart meters throughout the rollout. The proposed requirements (if decided to be implemented) will last the duration of the rollout. Each of the proposed requirements are outlined with a rationale of the CRU's reasoning for including it. The CRU is seeking views on each of the proposals and coinciding rationale for their inclusion.

It should be noted the purpose of this paper is not to develop a rollout plan for the allocation of smart meters. This is within ESNB's remit as the meter asset owner, and the entity responsible

¹ Note customers will have to actively opt-in to sharing their half hourly energy consumption with their supplier.

for delivering the upgrade to smart meters. ESNB will be responsible for developing and delivering a plan to install the required number of smart meters during each phase, and this will be monitored by the CRU.

The purpose of this paper is to propose requirements which establish that the rollout has the appropriate safeguards to ensure it is delivered in a manner that meets three overarching goals for the delivery of smart meters: Customer Empowerment and Protection; Fair Competition Across Suppliers; and Optimal Delivery;



The CRU welcomes opinions upon the proposed requirements and any additional requirements that will help achieve these goals. Taking into consideration the responses received, the CRU will issue a Decision Paper on Smart Meter Allocation Requirements for ESNB and electricity suppliers.

1.1.3 Related Documents

By way of background to this consultation paper, the following list of documents is of relevance:

- [Update on the Smart Meter Upgrade CER/17/279](#)
- [Electricity and Gas Suppliers' Handbook 2017](#)

Information on the CRU's role and relevant legislation can be found on the CRU's website at www.cru.ie.

1.1.4 Structure of Paper

- **Section 1** contains a general introduction and background information in relation to this consultation.
- **Section 2** presents the CRU's proposed requirements in relation to the allocation of smart meters seeks views upon these.
- **Section 3** sets out the next steps for this paper.

1.1.5 Responding to this Consultation

Responses to this consultation should be returned by email or post by close of business on the 26th of February 2019 and marked with the reference CRU/19/008.

Please forward submissions on this paper (preferably in electronic format) to:

Retail & Smart Metering Team
Commission for Regulation of Utilities
The Exchange
Belgard Square North
Tallaght
Dublin 24

E-mail: smartmetering@cru.ie

The CRU intends to publish all submissions received. *Unless marked confidential, all responses may be published on the CRU's website. Respondents may request that their response is kept confidential.*

The CRU shall respect this request, subject to any obligations to disclose information. Respondents who wish to have their responses remain confidential should clearly mark the document to that effect and include the reasons for confidentiality.

Responses from identifiable individuals will be anonymised prior to publication on the CRU website unless the respondent explicitly requests their personal details to be published.

Our privacy notice sets out how we protect the privacy rights of individuals and can be found [here](#).

2. Proposed Requirements

Each of the proposed requirements for smart meter allocation is applicable to either:

- ESNB – as the meter asset owner and Distribution System Operator, responsible for the allocation, rollout and installation of smart meters. or;
- Electricity Suppliers – as the main communication channel for customers in relation to smart services and intermediary for customers to obtain a smart meter from ESNB.

Both the ESNB and electricity suppliers have specific roles within the allocation of smart meters and will be impacted to different extents by each of the proposed requirements. This section outlines the CRU's proposed requirements for the allocation of smart meters, subdivided via their compliance 'ownership' by either ESNB or electricity suppliers. Each is outlined in terms of what it will necessitate followed by the rationale for including it, before seeking views on the proposal.

2.1 ESNB

1. Customer requests will be prioritised in meter allocation where reasonably practicable.

General Requirement

Those customers who have requested a smart meter whether through their suppliers or directly through ESNB will be prioritised by ESNB where reasonably practicable. Furthermore, if a customer makes a direct request to ESNB for a smart meter, ESNB must facilitate this and provide communications with the customer's supplier as required.

Rationale

We consider that customers who actively request a smart meter are likely to gain the greatest benefits from the additional services that a smart meter will facilitate. Therefore, from both an economic and fairness point of view, we propose that those customers who actively request a smart meter should be provided with a meter in advance of those who have taken no action to obtain a smart meter (as far as reasonably practicable²). Some customers may wish to organise the installation of a smart meter, independently of their supplier. We propose that in order to reduce customer confusion and facilitate a smooth transition to smart meters, ESNB must facilitate any requests made directly to them.

2. ESNB shall not deliberately favour any supplier in their rollout and delivery of smart meters.

General Requirement

² Due to the high volume of meters requiring installation (especially in Phases 2 and 3) it will not always be possible to facilitate customer request within a short timeframe, if an overall cost-efficient rollout is to be achieved.

ESBN's smart meter rollout plan will ensure smart meters are fairly distributed across all suppliers. The distribution should broadly be in line with supplier's market share³. ESNB will provide quarterly reports to the CRU on the number of installed smart meters broken down by supplier.

Rationale

ESBN shall not deliberately favour any supplier in the allocation of smart meters. Their smart meter rollout plan will be based around optimal (most likely geographical) deployment of smart meters. However, due to the distribution of supplier's customers, certain suppliers could potentially have either more or less of their customers receive a smart meter than their market share. We consider this unavoidable in delivering an optimal rollout.

It is unknown how many customers will request a smart meter. If more customers request a smart meter than there are meters available (at that time), then ESNB will broadly distribute the smart meters requested in terms of supplier market share.

We propose the introduction of a new requirement upon ESNB to start reporting to the CRU on the number of installed smart meters broken down by supplier. If the distribution shows any significant deviation from what is broadly in line with supplier's market share, the CRU would consider whether corrective actions were appropriate and if so, what actions were necessary.

2.2 Electricity Suppliers

3. Suppliers must aid and facilitate customers on their smart meter journey.

General Requirement

Suppliers must accept all customer requests for a smart meter and maintain appropriate communication throughout the process.

Rationale

The installation of smart meters and their associated functionality over a phased timeline will bring about many changes for customers. This has the potential to create customer confusion. As a key communication channel for customers, suppliers may be required to provide additional support to their customers to aid their smart meter transition. If this is not handled well by suppliers, it could result in a poor customer experience in their smart meter journey. It is for this reason that we propose suppliers will be obligated to make a customer's smart meter journey as smooth as possible, through:

- Facilitating all requests for a smart meter. Suppliers cannot add additional conditions on who can request a smart meter, nor preclude any of their customers from requesting a

³ If a new supplier enters the market, they may be allocated a minimum number of smart meters to ensure all suppliers have a base level of customers with smart meters at the end of 2020 when the first smart services become available.

smart meter. Any customer who approaches their supplier to request a smart meter, must be accommodated throughout the whole rollout.

- Passing on customer request in a timely fashion. Suppliers cannot delay smart meter requests. Suppliers are obligated to pass on the MPRN of any customer requests to ESNB within a reasonable timeframe (as set out by ESNB).
- Explaining any changes in services that a customer who is requesting a smart meter may experience as a result of obtaining a smart meter before accepting and processing their request⁴.
- Maintaining appropriate communications with customers regarding changes that will impact them throughout the smart meter rollout; and providing appropriate and satisfactory advice to any customer queries regarding smart meters.

Note: there is no obligation upon suppliers to actively contact customers to invite them to sign up for a smart meter. However, if a supplier receives a query in relation to smart meters, a supplier must be able to provide customers with accurate information about the roll out of smart meters and the customer's entitlement to request a smart meter.

4. The obligations set out in the Supplier Handbook are enduring and applicable for all smart metering activities.

General Requirement

Suppliers must comply with the Codes of Practice outlined in the Supplier Handbook when dealing with both smart meter and non-smart meter customers.

Rationale

The Supplier Handbook⁵ describes the minimum level of service that electricity and gas suppliers are required to adhere to in their dealings with energy customers. It comprises individual Codes of Practice which cover all key areas of customer – supplier interaction, such as marketing and sign up process, billing, disconnection, PAYG meters and vulnerable customers. These rules are

⁴ Certain meters have additional functionality such as being able to distinguish and record day and night energy usage or provide pay-as-you-go services. However, the support of these specific features will not be possible on the smart meters until the IT systems are in place to support them. Therefore, if a consumer with such a meter was to have a smart meter installed before the associated smart functionality is available (such as a PAYG customer before the end of 2022), then they will lose that associated service until it becomes available on smart. Therefore, consumers with such meters can request a smart meter to become an Early Adaptor, but they should be made aware of the impact this will have upon the current service they receive.

⁵ <https://www.cru.ie/wp-content/uploads/2017/09/CER17060-Electricity-and-Gas-Suppliers-Handbook.pdf>

in place to ensure that customers enjoy a high standard of protection. The obligations in the Supplier Handbook were developed to cover the whole market, therefore, we propose that they are applicable to any customer interaction in relation to smart meters. This will ensure the appropriate customer protection measures are in place for the allocation and rollout of smart meters. As the market develops in light of smart meters, there may be a requirement to add additional codes to the Supplier Handbook. The CRU will keep a watching brief on this and take any actions when necessary

5. Suppliers cannot discriminate against customers with a smart meter.

General Requirement

The type of meter of record⁶ that a customer has is not a valid reason for a supplier to refuse to accept a customer or impede a customer's ability to switch.

Rationale

Smart meters will systematically replace the traditional analogue meters over the rollout period of six years. Therefore, we propose that the type of meter of record a customer has should not act as a barrier to customer's receiving a fair deal from their energy supplier. As such suppliers must comply with the following:

- Suppliers cannot add any additional Terms and Conditions that negatively discriminate against smart meter customers.
- Suppliers cannot charge customers an additional service charge for having a smart meter.

⁶ The ESNB meter (either a traditional analogue meter or smart meter) is the meter of record and is owned and maintained by ESNB. Some customers choose to have an additional meter installed by their supplier called a budget controller (or a prepay meter). These meters are owned and maintained by the customer's supplier (usually to provide a Pay-As-You-Go tariff plan). However, customers with these budget controllers still keep their ESNB meter of record.

3. Next Steps

The CRU is seeking views from suppliers, consumer interest groups, industry groups, members of the public and all other interested parties regarding the proposed requirements that will underpin the allocation of smart meters throughout the duration of the rollout by close of business on the 26th of February 2019. Following the consultation period, the CRU will review all responses received and consider the issues raised. The responses to this consultation paper will be used to inform and develop the requirements set out for smart meter allocation, which will be finalised and published in a subsequent decision paper.