



National Metering Strategy for the Non-household Market

Webinar

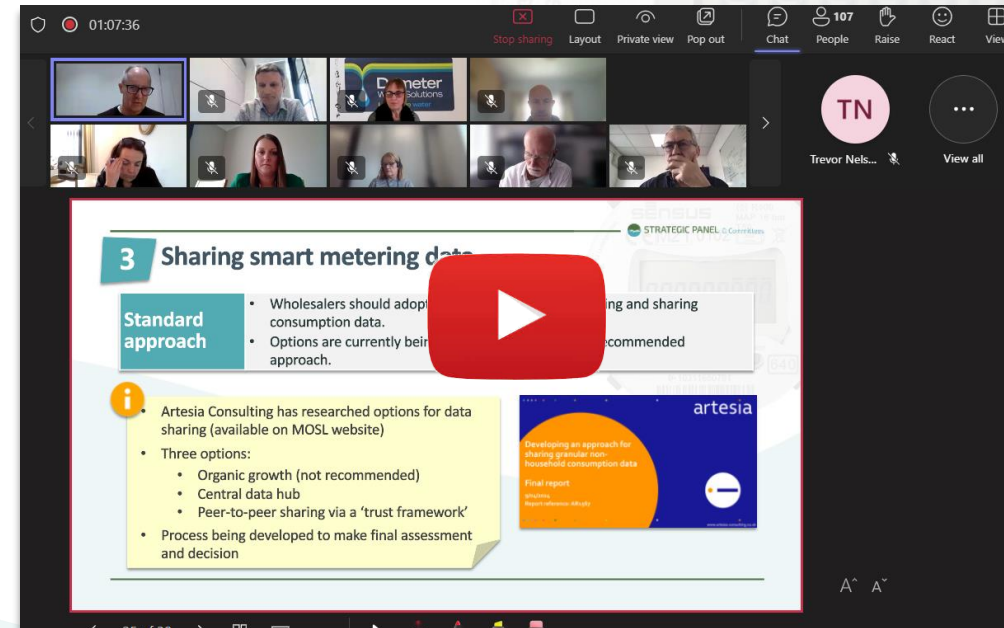
18 April 2024



**STRATEGIC
PANEL**
& Committees

Recording

- The following slides were presented at a webinar on Thursday 18 April 2024
- To view the recording of the Teams session, please [click here](#) or the image on the right
- Please note that a summary of the Q&A will be available separately
- To stay up to date with the metering strategy and metering programme, please sign up to the relevant mailing list [here](#)
- If you have any feedback or questions, please email comms@mosl.co.uk.



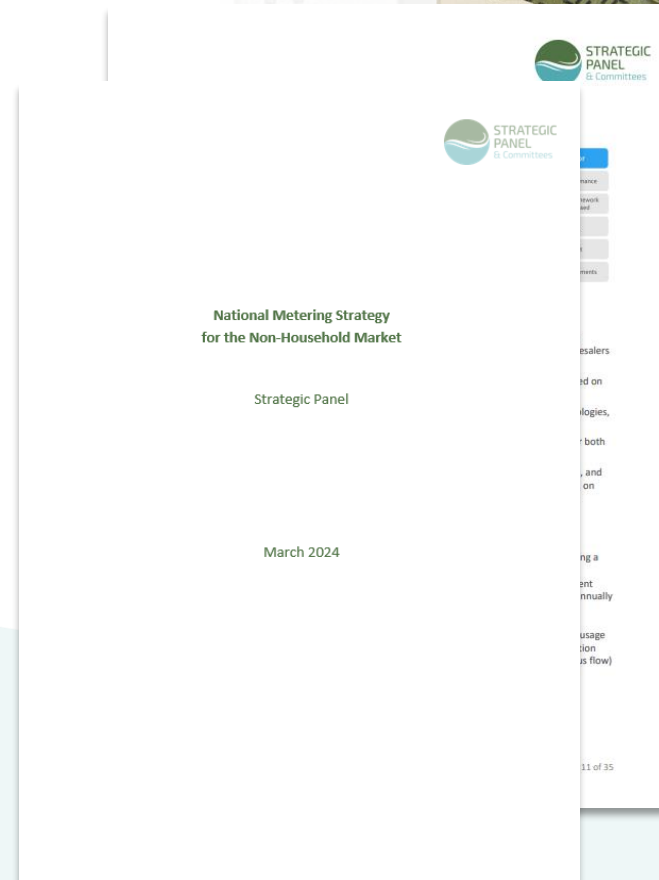
Agenda

- Introduction (10 mins)
 - Aim and objectives of the strategy
 - Potential benefits
 - Timeline and current status
 - Development and timeline
- Strategy walk-through (c30 minutes)
 - Pauses for questions
- Additional Q&A
- Close



Aim of the metering strategy

- Smart metering has the potential to transform our understanding of where, when and how businesses use water
- The Panel's National Metering Strategy for the NHH Market includes recommendations for **deploying** and **reading** smart meters and how **consumption data should be shared** to make it actionable
- The aim of the Strategy is to maximise the benefits of smart meters for all, by driving a clear, consistent and co-ordinated approach.



Objectives of the metering strategy

- Help roll out smart metering quickly and efficiently to NHH customers – but in the right way
- Set out how Retailers and Wholesalers can work together to maximise smart metering benefits
- To make it as easy as possible for Retailers to access the data they need to develop products, services and tariffs – and support water efficiency
- To ensure all NHH customers receive a good level of service *regardless* of the type of meter they have
- Ensure traditional/AMR ‘problem meters’ that are not upgraded are also addressed



Potential benefits of smart metering



Accurate, timely, granular consumption data =

Improved service



Timely, accurate NHH bills based on actual consumption

Innovation



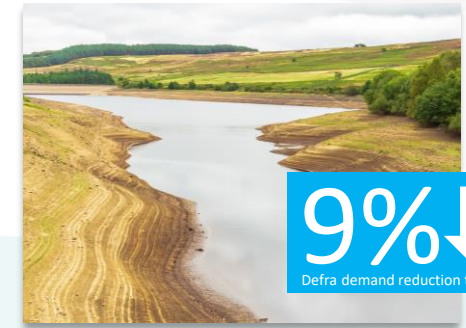
New NHH products, services & tariffs

Competition



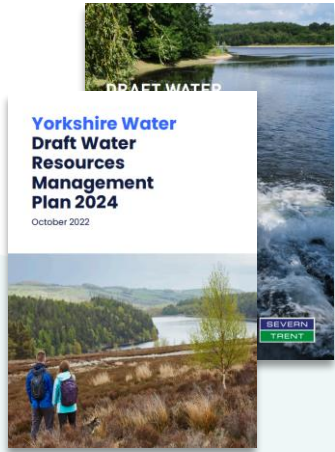
Opportunities for specialisation and differentiation

Water efficiency



Reduce NHH demand and water lost through leakage

Strategy timeline



December 2022-
February 2023

**Draft Water
Resource
Management
Plans for 2025-50**



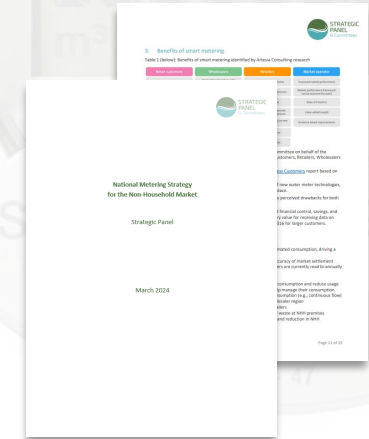
April 2023

**Interim National
Metering Strategy
for NHH Market**



Early 2024

**Revised Draft
WRMPs & PR24
Submissions**



March 2024

**National
Metering Strategy
for NHH Market**

Where are we now?

- Wholesalers have heeded Ofwat’s call to submit “ambitious” smart metering plans
- WRMP plans and PR24 submissions focused on Defra’s 9% consumption reduction target
- Broad consensus on importance of smart metering and recognition of need to move at similar speed
- Companies representing 49% of SPIDs plan a one-AMP rollout; remainder a two-AMP rollout
- Recognise challenges, e.g. competing funding priorities
- Ofwat due to publish Draft Determination in the summer and Final Determinations in December

| PR24 smart metering rollout to NHHs | | |
|-------------------------------------|---------------------|-----------------------|
| One AMP 2025-30 | Two AMPs 2025-35 | Three AMPs 2025-40 |
| Anglian | Northumbrian | Affinity |
| Southern | Portsmouth (8 yrs) | Bristol |
| Thames | SES (7 years) | |
| United Utilities | Severn Trent | |
| | South East | |
| | South Staffs | |
| | South West | |
| | Wessex | |
| | Yorkshire | |
| 49% of SPIDs | 50% of SPIDs | 1% of SPIDs |

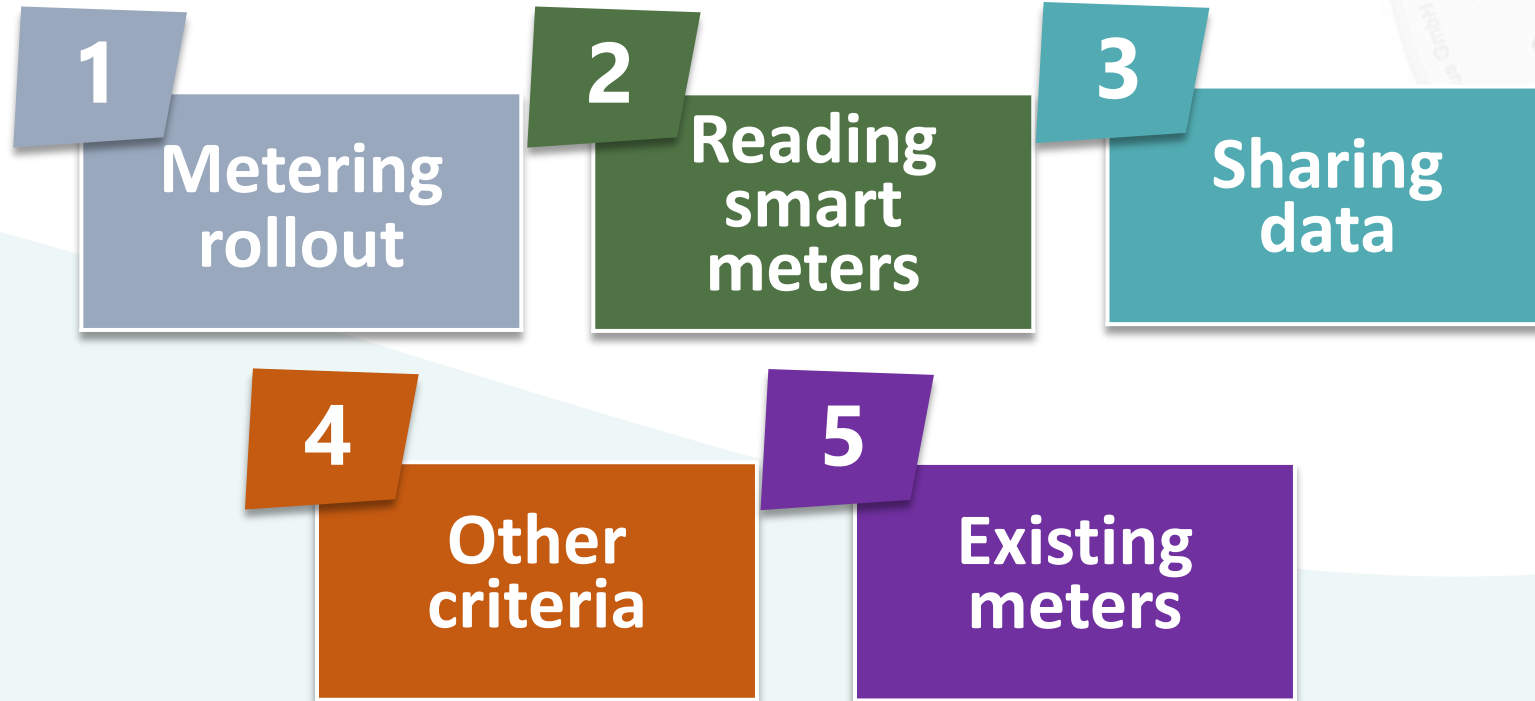
Team effort

Messages developed and iterated with:

- Strategic Panel & Panel Subset
- Metering Committee
- MOSL programme team
- Strategic workshops
- Operational workshops
- CEO Forum
- CCW
- Ofwat
- Defra
- *With support from PA Consulting*



Metering strategy content



1 Smart metering rollout

Choice of technology

- Strategy does not specify particular smart metering manufacturers or technologies.

Chosen technologies should, however:

- Prioritise long-term value for money over short-term least-cost options
- Be able to deliver a minimum data sharing standard.



If you have a 'smart logger' attached to a meter, is that 'smart metering'?



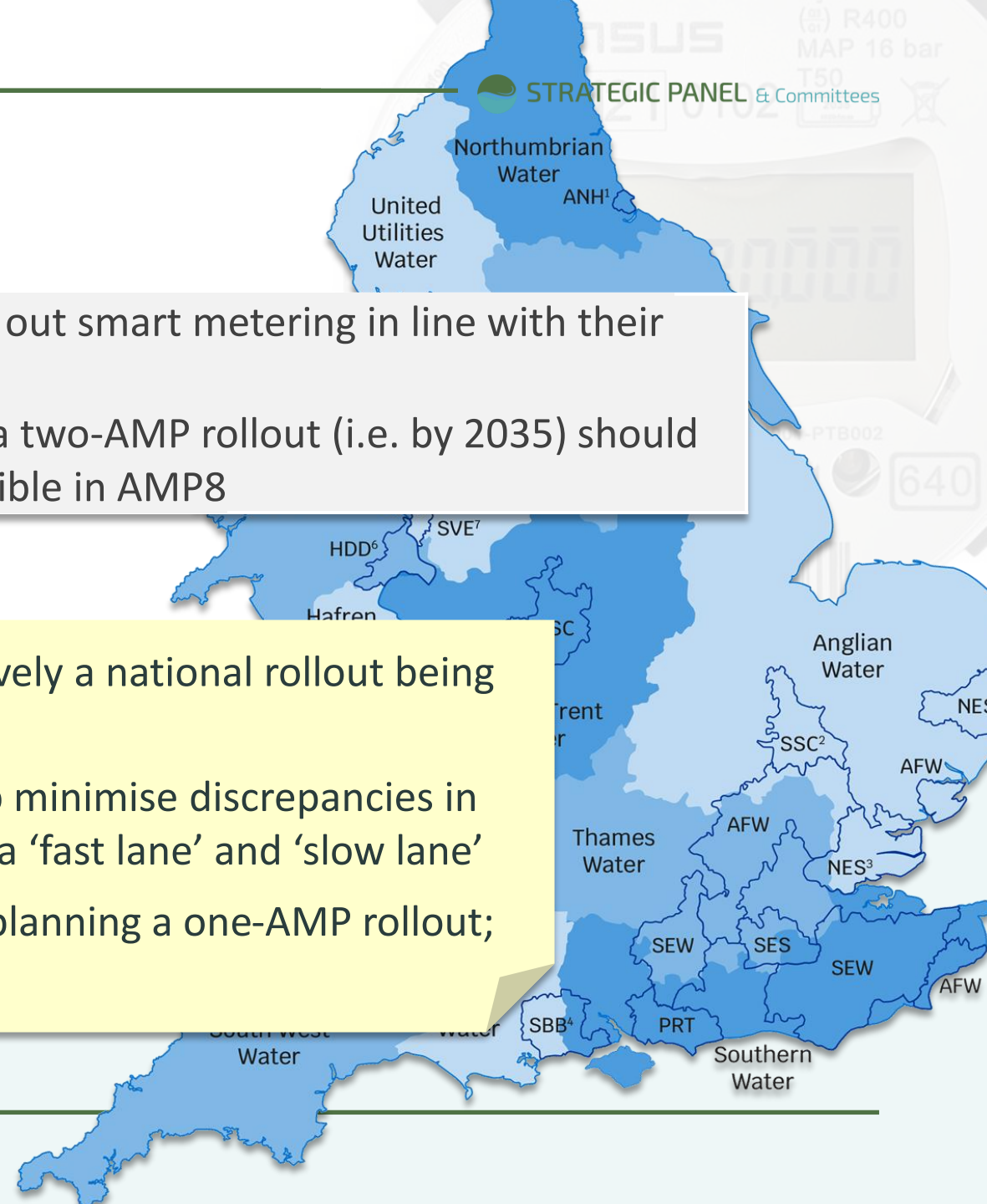
1 Smart metering rollout

Rollout timescales

- Wholesalers should aim to roll out smart metering in line with their Business Plan timetables
- Companies planning to adopt a two-AMP rollout (i.e. by 2035) should aim to deliver as much as possible in AMP8



- NHH smart metering is effectively a national rollout being delivered regionally
- A coordinated rollout will help minimise discrepancies in service between regions – data ‘fast lane’ and ‘slow lane’
- 4 wholesalers (49% of SPIDs) planning a one-AMP rollout; 9 (50% of SPIDs) two-AMP



1 Smart metering rollout

Inclusion of medium and large meters

- Wholesalers' smart metering rollouts should include medium and large meters
- Companies' delivery plans (and Price Control Deliverables) should include sufficient detail to ensure they are rolled out as quickly as other meter sizes.



- 17% of meters are medium or large, yet represent more than 70% of consumption
- Strategy recognises most of the largest customers will have metering and data analysis in place
- Medium and large customers remain key target

1 Smart metering rollout

Addressing 'problem meters'

- Meters that have not had a meter reading taken and entered into CMOS since the NHH market opened ('Legacy Long Unread) or 12 months or more ('Long Unread') due to being hard to read, broken, have 'no flow', etc, should be included in smart metering rollout plans.

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Publishing rollout plans

- Retailers and customers need to know in advance when smart metering will be available in their area so that they can plan appropriately
- Wholesalers should publish rollout plans in advance (as per the Codes) and progress against them, on a quarterly basis in a standardised format.

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Capturing asset data

- Wholesalers to ensure new smart metering asset data is captured accurately at installation, uploaded to CMOS, and kept up to date.

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Monitoring smart meter performance

- Wholesalers should monitor the performance of new smart metering installations
- Wholesalers should have processes in place to maintain equipment and resolve any faults or failures that are identified.

1 Smart metering rollout

Customer comms during rollout

- Wholesalers should give Retailers ample notice of their intention to install smart metering to allow time for the Retailer to communicate to their customers (as per the Codes).
- Both parties will be expected to work together cooperatively during the rollout, paying particular attention to the communication needs of customers with medium and large meters.



- Effective customer communications will be critical
- Wholesaler rollout need to be expedient
- Retailers will need ample notice to inform their customers



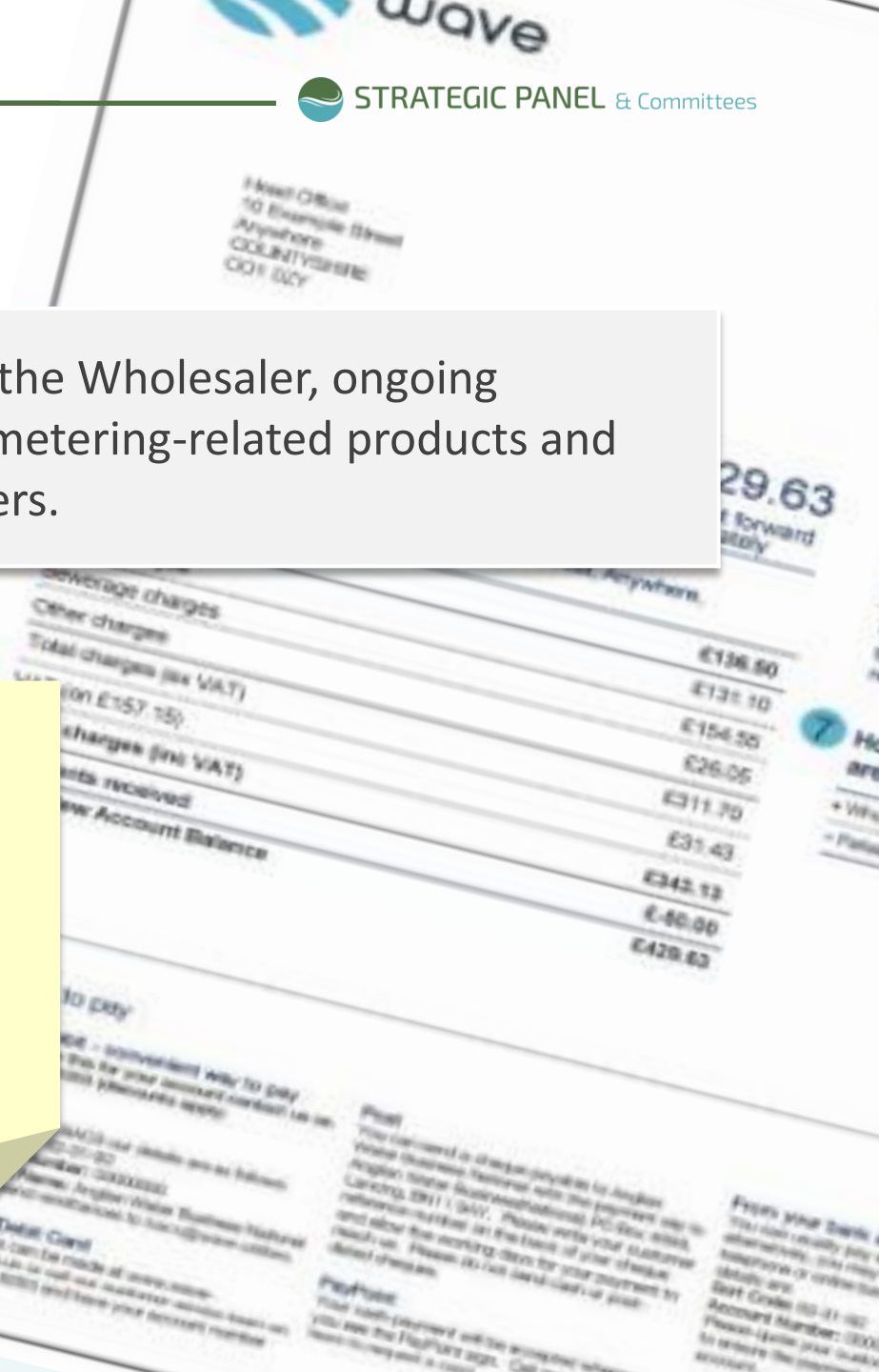
1 Smart metering rollout

Customer comms after rollout

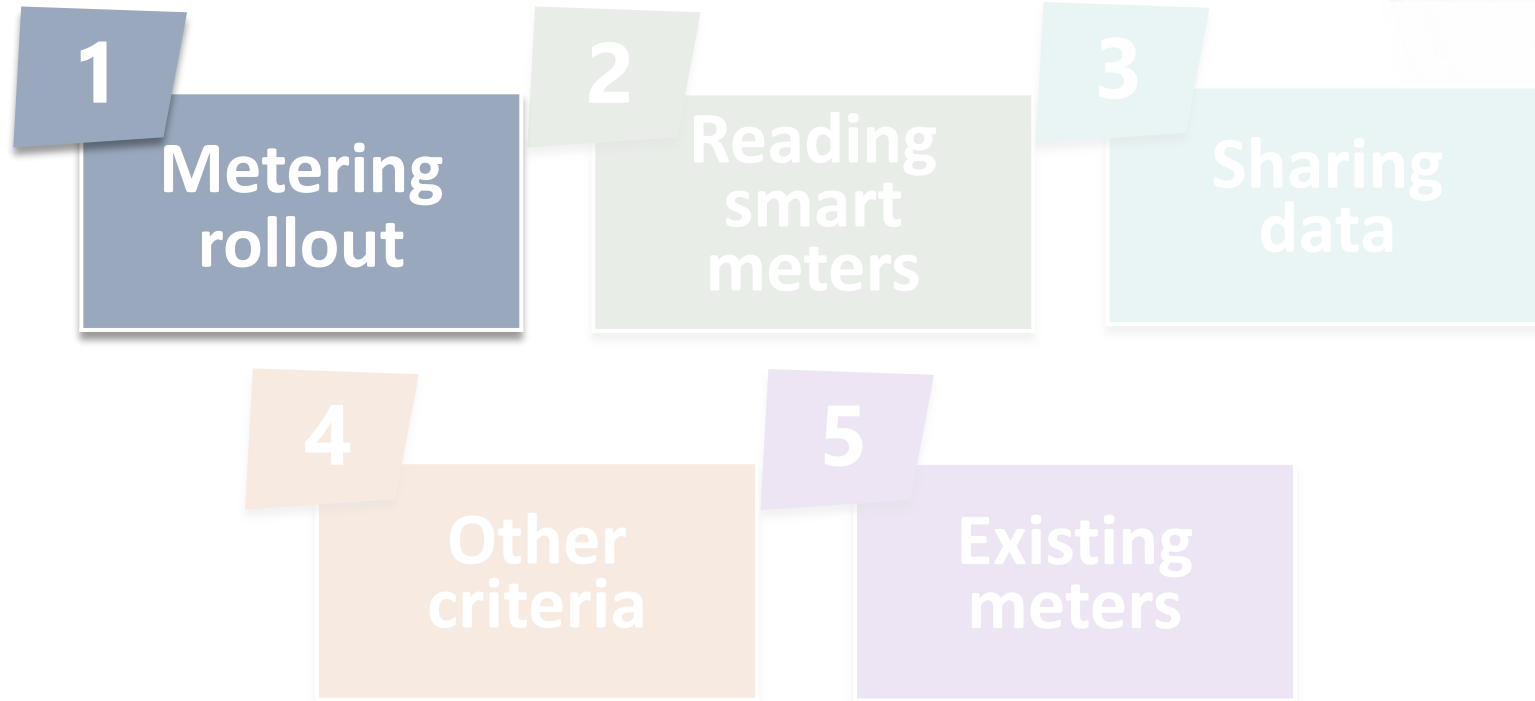
- Once smart metering has been installed by the Wholesaler, ongoing communications will depend on the smart metering-related products and services the Retailer provides to its customers.



- Once rolled out, customers may not see or feel any difference to their service initially
- Onus will be on Retailers to remind customers that they have smart metering and the products, services and tariffs that are – or will be – available
- Retailers should consider reminding customers of smart metering benefits on their bills.



Questions?



2 Reading smart meters

Responsibilities

- Subject to approval of Code Change CPW142, Wholesalers are to be responsible for transferring meter reads from SmartAMI meters and submitting the data into CMOS once commissioned
- Smart consumption monitoring devices can be installed by Retailers, customers or third parties. Such devices are not normally used for billing or settlement purposes, however.



- CPW142 now with Ofwat for approval
- Retailers will benefit from Wholesalers taking over responsibility for reading smart meters
- However, per-unit cost of reading remaining meters may increase
- Consideration to be given to 'faulty' meters, which may be a temporary communications issue
- In rare circumstances, with agreement of the Retailer, Wholesaler may revert some 'smart' meters to traditional

2 Reading smart meters

Read frequency

- Once installed, reads from SmartAMI meters will continue to be submitted on the current frequency (i.e. bi-annually or monthly)
- On the assumption that Code Change CPW142 is approved, it is expected that Wholesalers will transition to reading all meters on a monthly basis as soon as practicable.
- Any further changes will be considered through the Market Performance Framework.

2 Reading smart meters

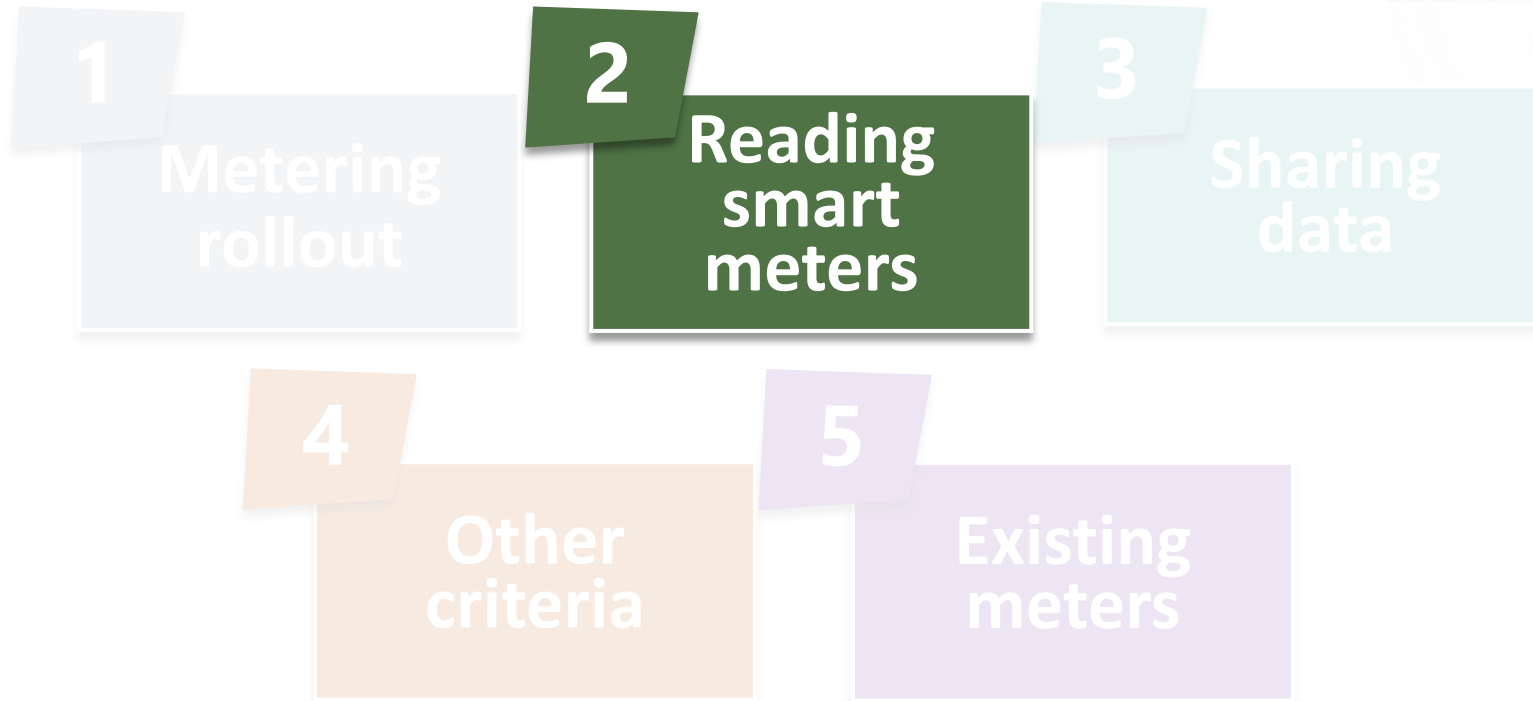
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Improving accuracy of transfer reads

- Retailers should follow the Metering Committee recommendations for improving the accuracy of transfer reads.
- Once smart meters are installed, retailers will have the opportunity to further improve the accuracy of the transfer read processes.

Questions?



3 Sharing smart metering data

Standard format

- All market participants should adopt the common data format for granular consumption.
- This will make it easier for national retailers to share, analyse and aggregate data across different Wholesaler regions, as required, for multi-site customers

3 Sharing smart metering data

Standard approach

- Wholesalers should adopt a standard approach to storing and sharing consumption data.
- Options are currently being assessed to determine a recommended approach.



- Artesia Consulting has researched options for data sharing (available on MOSL website)
- Three options:
 - Organic growth (not recommended)
 - Central data hub
 - Peer-to-peer sharing via a 'trust framework'
- Process being developed to make final assessment and decision



3 Sharing smart metering data

Data governance

- Data sharing governance to be developed and introduced

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Provision of data to Retailers

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Wholesaler charges for providing data

- Wholesalers will be expected to provide hourly consumption data to Retailers. Charging should be for initial set-up costs only, with the ongoing provision of hourly data provided free of charge.

3 Sharing smart metering data

Provision of analysed data

- Wholesalers to make analysed metering data available in a standard format on a regular basis to maximise the value of data being captured.



- What do customers want?
 - Raw data to analyse themselves?
 - Just alerts, e.g. high usage, continuous flow?
 - Basic data analysis
 - Detailed data analysis?
- Retailers and Wholesalers will need to work together



Questions?



4 Other criteria

Defining continuous flow

- A standard definition of continuous flow is to be adopted once approved.

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Performance monitoring

- The reformed Market Performance Framework (MPF) will monitor Wholesalers' metering performance and publish peer comparison reports, among other things, to help inform NHH customers' choice of Retailer.

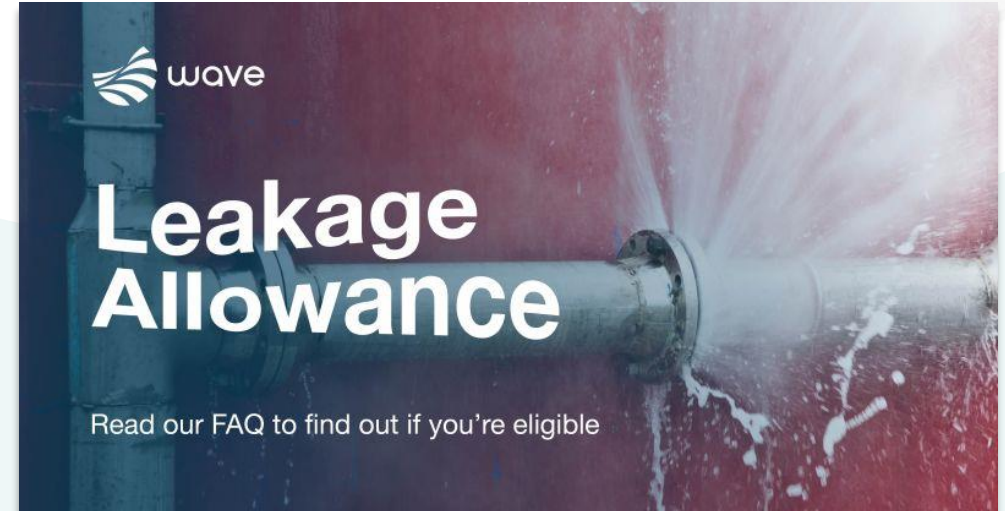
4 Other criteria

Leakage allowances

- The Panel recommends reviewing the need for, and application of, leakage allowances for customers with SmartAMI meters.



- Are leakage allowances still appropriate for smart metering?
- Do they provide a disincentive to resolving leaks?
- If withdrawn, what customer protections would need to be in place?



5 Improving the performance of existing meters

Asset management

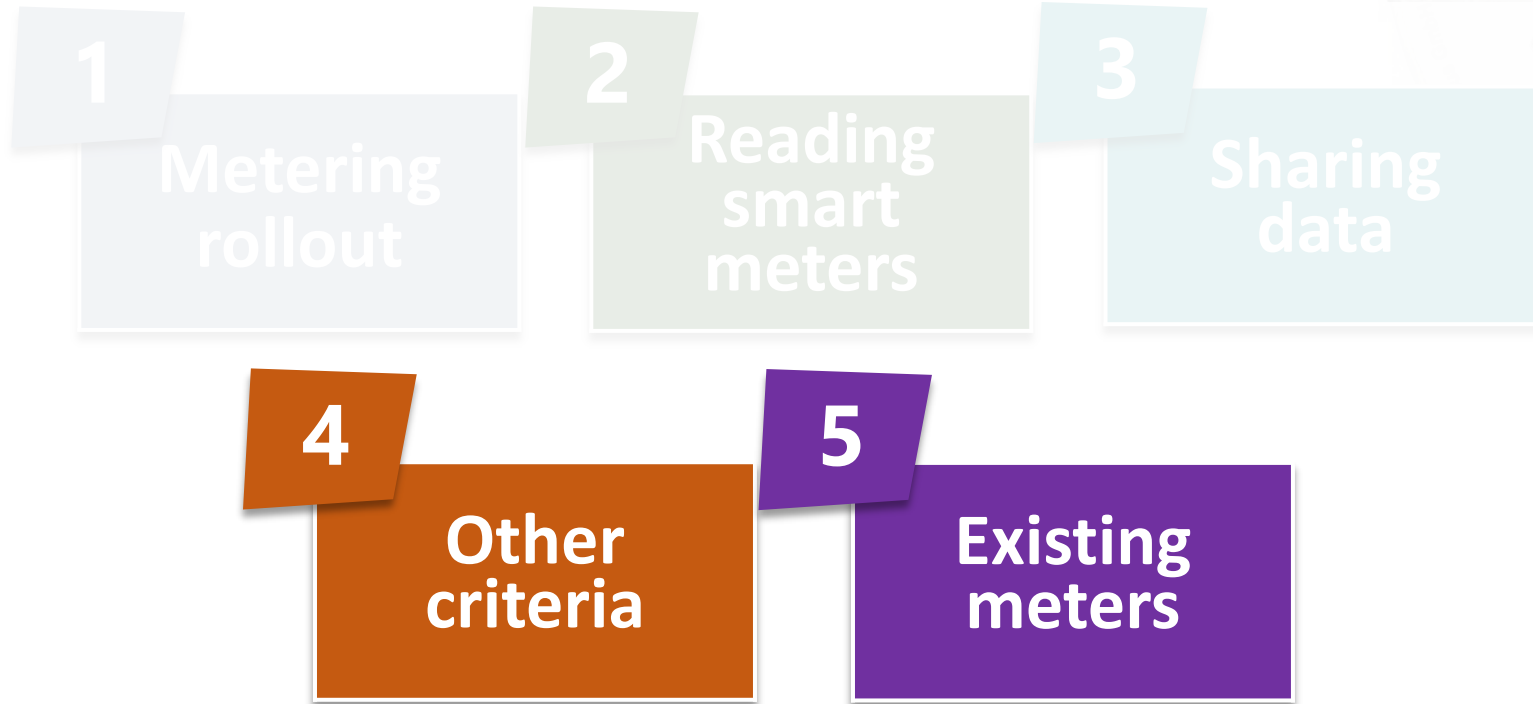
- Wholesalers should take steps to improve the performance of existing meters that are not due to be upgraded or replaced by the end of AMP8 (i.e. 2030).



- Important to consider traditional meters, particularly those that will not be replaced with smart metering
- Trading parties' programmes should aim to resolve:
 - Legacy Long Unread Meters and Long Unreads
 - Addressing 'Hard to read' meters
 - Early replacement of broken meters
- See 'Quick start' guidance on MOSL website



Questions?



Retailer and Wholesaler perspectives

Wholesalers

Focus: efficient rollout
Goal: water efficiency



Retailers

Focus: clarity & consistency
Goal: innovative products, services & tariffs



Supporting delivery of the strategy

- Launch phase now
- Strategy sets out first steps – the “what” and “who”; more work to do
- Ofwat plays key role: Final Determinations, design of Price Control Deliverables (PCDs), monitoring, etc
- Metering Committee and MOSL will work with trading parties to deliver
- Strategic Panel will monitor progress
- Industry appetite to engage and get this right



Questions



Thank you

Get in touch: comms@mosl.co.uk



**STRATEGIC
PANEL
& Committees**