

FOR GOOD MEASURE

The Strategic Panel has produced a national NHH smart metering strategy in pursuit of consistency from wholesaler-led programmes.

“Smart metering is, in effect, a national rollout being delivered regionally,” observed Trisha McAuley, chair of the Strategic Panel, which published its *National metering strategy for the non-household market* late last month.

The plan seeks to bring order to the potential chaos of wholesaler-led smart rollout programmes in AMP8 and AMP9. It aims to maximise rollout speed, efficiency and transparency by recommending a framework and identifying opportunities for consistency and standardisation among wholesalers, as well as address how wholesalers and retailers should work together, share data and provide a good level of service to customers.

The backdrop is water scarcity, climate change and Defra’s 9% NHH demand reduction target for 2038. At present, NHH meter penetration is as high as 98% in some

regions and as low as 70% in others – despite the NHH market using a third of the country’s water, of which just 1% consumes nearly half.

The strategy builds on April 2023’s interim plan, and wholesalers are expected to incorporate the recommendations in their metering implementation plans.

The recommendations

Table 1 sets out the full range of recommendations. The messaging includes that smart meter rollout should be:

- Treated as urgent – Wholesalers representing half of customers are proposing to complete their rollouts by 2030. For the rest, the Panel encouraged as much as possible to be loaded into AMP8 “to help minimise the difference in benefits enjoyed by customers during the rollout period”. Table 2 shows indicative data on different wholesalers’ proposed rollout timings as well as that there will be considerable variation in terms of new installs v upgrades.
- Inclusive – The strategy includes the market’s 138,000 Long Unread Meters that have not been read for more than 12 months and 18,000 meters that have not been read since the market opened. It also includes medium to large meters. Most smart installs to date have been for meters up to 30mm. Medium (25-65mm) and large (80mm+) meters make up only around 17% of the market’s 1.3m meters, but account for 72% of total NHH consumption. The Panel noted the largest customers will

likely have monitoring and efficiency programmes in place already but medium to large customers could be a sweet spot for wholesalers to make headway on their demand reduction targets. Hence these should be included, even though they are likely to be more complicated and expensive to replace or upgrade. Where customers or retailers have loggers installed and are committed to keeping them (smart meter data is usually returned within 24 hours, but some users may want more immediate information), wholesalers will need to install a loggable smart meter. The Metering Committee has produced a guidance document relating to this process.

■ Well-communicated – with plans published openly and consistently, and potentially available centrally via a MOSL dashboard.

■ Well-maintained – Wholesalers should produce and publish their Metering Asset Management Standard by March 2025, setting out minimum timescales for fault rectification and maintenance strategies.

■ Data should be shared – Governance rules will be defined and a preferred sharing option recommended (either a central data hub or peer-to-peer sharing via a ‘trust framework’ approach).

■ Hourly data should be free – Wholesalers will be obliged to share raw hourly data from smart metering with retailers and, with the permission of the customer, third parties. They may charge retailers for initial set up costs as well as additional services such as 15 minute data and/or data analysis. It is up to each wholesaler to determine its charges, but the Panel suggested relevant considerations.

■ Retailer data services – These must, as a ‘minimum service level’, include: the provision of daily consumption data, high usage alerts and continuous flow alerts to customers.

Regulatory plea

The Strategic Panel urged Ofwat to allow the necessary investment. It also made recommendations regarding the design of Price Control Deliverables and incentivises for the inclusion of larger meters, long unread and hard-to-read meters in companies’ rollout plans. It urged: “The Panel asks wholesalers to consider their programmes part of a national rollout and encourages Ofwat to consider companies’ plans ‘in the round’ as well as on their individual merits.”

TABLE 1: OVERVIEW OF RECOMMENDATIONS

TOPIC	RECOMMENDATION
ROLLOUT PLANNING	
Choice of technology	No particular manufacturers or technologies are specified, but choices should prioritise long-term value for money over short-term least-cost options and deliver a minimum data sharing standard.
Timescales	Rollouts should be in line with Business Plan timetables. Those adopting a two-AMP rollout (i.e. by 2035) should deliver as much as possible in AMP8.
Inclusion of medium and large meters	Rollouts should include medium and large meters, with sufficient detail provided in companies’ delivery plans (and PCDs) to ensure they are rolled out as quickly as other meter sizes.
Addressing ‘problem meters’	Rollouts should include LUMs, legacy LUMs, and other ‘problem meters’.
COMMUNICATING ABOUT PLANS	
Publishing rollout plans	Wholesalers should publish rollout plans in advance (as per the Codes) and progress against them, on a quarterly basis in a standardised format.
Customer communications during rollout	Wholesalers should give retailers ample notice to allow time for the retailer to communicate with their customers (as per the Codes). Both parties will be expected to work together cooperatively, paying particular attention to the communication needs of customers with medium and large meters.
Customer communications after rollout	Ongoing communications will depend on the smart metering-related products and services the Retailer provides to its customers.
ASSET DATA AND PERFORMANCE	
Capturing asset data	Wholesalers to ensure new smart metering asset data is captured accurately at installation, uploaded to CMOS, and kept up to date.
Monitoring smart meter performance	Wholesalers should monitor the performance of new installations and have processes in place to maintain equipment and resolve any faults or failures.
SMART METER READING	
Responsibilities	Subject to approval of Code Change CPW142, wholesalers are to be responsible for transferring meter reads from Smart AMI meters and submitting the data into CMOS. Smart consumption monitoring devices can be installed by retailers, customers or third parties but these are not normally used for billing or settlement purposes.
Read frequency	Reads from Smart AMI 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.
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.
SHARING 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 for multi-site customers.
Standard approach	Wholesalers should adopt a standard approach to storing and sharing consumption data. Options are currently being assessed to determine a recommended approach.
Data governance	Data sharing governance to be developed and introduced.
Provision of data to retailers	Wholesalers to make hourly meter reading data available to retailers as standard.
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.
Provision of data-related services	The use of metering data provided by wholesalers and the products and services developed from them are to be determined by retailers, subject to a ‘minimum recommended service level’.
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 free of charge.
Monitoring	Process for monitoring the effectiveness of data sharing to be introduced.
CONTINUOUS FLOW AND LEAKS	
Defining continuous flow	A standard definition of continuous flow is to be adopted once approved.
Leakage allowances	The Panel recommends reviewing the need for, and application of, leakage allowances for customers with Smart AMI meters.
PERFORMANCE REPORTING	
Performance monitoring	The reformed MPF will monitor companies’ metering performance and publish peer comparison reports, among other things, to help inform NHH customers’ choice of retailer.
EXISTING METERS	
Asset management	Wholesalers should improve the performance of existing meters that are not due to be upgraded or replaced by the end of AMP8.

TABLE 2 – OVERVIEW OF COMPANY SMART METERING PLANS

	NHH meter penetration	SPIDs in NHH market (%)	AMP8 2025-2030 SPIDs (%)	AMP8/9 2025-2035 SPIDs (%)	AMP8/9/10 2025-40 SPIDs (%)
Anglian Water	97.5	9.9	9.9	-	-
Southern Water	90.2	5.4	5.4	-	-
Thames Water	78.3	18.8	18.8	-	-
United Utilities	67.9	15.3	15.3	-	-
Northumbrian Water	83.2	6.7	3.4	3.4	-
Portsmouth Water (8 yrs)	87.6	0.6	0.4	0.2	-
SES Water (7 yrs)	84.3	0.5	0.4	0.1	-
Severn Trent	83.9	15.8	7.9	7.9	-
South East Water	95.2	2.0	1.0	1.0	-
South Staffs Water	89.8	1.6	0.8	0.8	-
South West Water	94.6	4.7	2.4	2.4	-
Wessex Water	90.6	4.2	2.1	2.1	-
Yorkshire Water (80/20)	85.0	10.6	8.5	2.1	-
Affinity Water	86.5	2.8	0.9	0.9	0.9
Bristol Water	95.7	1.0	0.3	0.3	0.3
Smart metering rollout per AMP (indicative)			1 AMP 78%	2 AMPS 21%	3 AMPS 1%