

## **Cross Party Group on Fuel Poverty and Energy Efficiency**

12<sup>th</sup> December 2017

Conference Room A, Ty Hywel, The National Assembly for Wales

### **In attendance:**

Carole Morgan-Jones, NEA Cymru  
Bethan Proctor, NEA Cymru  
Rhiannon Spence, NEA Cymru  
Fflur Lawton, Smart Energy GB  
Nick Speed, Centrica  
Rhian Cook, Melin Homes  
Stephen Hanman, WW Utilities  
Sue Purnell, SSE  
Michael Anderson, SSE  
Ella Maxwell, Ofgem  
Mark Isherwood AM  
Simon Lannon, Cardiff Council

Dorine Pannarale, RLA  
Elizabeth Lambert, Cardiff Council  
Lyn Cadwallader, One Voice Wales  
Carlos Ruiz, Cardiff Council  
Rhian Harrop, Speakeasy  
Toby Davies, Speakeasy  
Peter Wong, Jenny Rathbone AM  
Jack Sellers, David Melding AM  
Lowri Kenny, Smart Energy GB  
Eurgain Powell, Future Generations  
Leanie White, Centrica

### **Apologies:**

Neil Hamilton AM  
Crispin Jones, E-ON

Sean Oneill, Children in Wales  
Clare Sain-ley Berry, WVCA

### **1. Welcome**

Mark welcomed guests to the Cross Party Group on Fuel Poverty and Energy Efficiency. The minutes of the last meeting were approved. No matters arising. Mark thanked Smart Energy GB for sponsoring refreshments.

Mark outlined recent developments in the Assembly – on the 29<sup>th</sup> November the Assembly debated Cavity Wall Insulation and some of the rogue practices in Wales. Lesley Griffiths stated her intentions to work with the UK Government and Cavity Insulation Guarantee Agency to ensure good workmanship and safeguard consumer rights.

### **2. Roll out of Smart Meters**

The roll out of smart meters is well underway, and every home in Wales should be offered one by 2020. Latest stats from BEIS show that over 8.6 million smart meters have been installed to date.

#### **Fflur Lawton - Head of Policy and Communications Wales, Smart Energy GB**

Fflur stated that Smart Energy GB aim to make sure everyone knows about smart meters, what their benefits are, and how they work. They run a consumer engagement campaign and are constantly looking at innovative ways to reach the public.

#### **How do they work?**

Fflur explained that they are digital meters which replace electric and gas meters. They have a communication hub which talks to the energy supplier. This means an end to estimated billing and no more meter readings. They have an in-home display which tells you how much energy you are using in pounds and pence. They run in credit and prepayment mode, with payments being made easier online with smart phone apps.

The most frequent questions about smart meters at the moment surround the SMETS 1 (phase 1) and SMETS 2 (phase 2) meters. With phase 1 meters consumers can switch energy provider, but some consumers may lose the smart functionality. Phase 2 can talk to a secure communication network, so able to switch and take functions with

it. The roll out of phase 1 will come to end in the summer of 2018, with phase 2 only being fitted after this date. Mobile connectivity issues are currently being addressed, but 99.2% of the population will be able to access the mobile signal.

Fflur stated that Smart Energy GB have undertaken research with 10,000 energy users about different forms of energy and smart meters. Over three quarters of people would recommend smart meters, with 8/10 who have a smart meter reducing their energy usage. They are also looking at best practice, and how smart meters can provide the route to a smart future. They currently have a pilot in schools – helping children understand smart meters and energy efficiency. They are also looking at how smart meters can digitalise health care.

Smart Energy GB work with other organisations and are particularly focussing on the over 65s with no internet access. They aim to get employers spreading the message of smart meters, and have trained over 400 people to help spread the message of smart meters. They provide a range of resources including leaflets and free online resources.

### **3. Nick Speed – Head of Public Affairs and Policy, Centrica**

Nick started by showing his appreciation for the work of Smart Energy GB. He then gave an overview of British Gas' roll out of the smart meter. As British Gas (BG) is the largest energy supplier in Britain, they have the largest customer base and therefore the largest amount of smart meters to install.

Nick stated the signs from customers are broadly positive, they feel more in control of their energy use and spending. On average, customers are saving 3.5% (£30) a year from behaviour change. In Wales, BG have been training smart energy experts. Nick spoke of Welsh AMs and MPs who have been getting involved with the campaign. There is support across the political spectrum for smart meters, and politicians can act as advocates.

There has been a lot of interest around prepayment customers and smart meters. Common themes include increased convenience with topping up, and an increased understanding of how much gas and electricity has been used. Nick stated that smart meters empower people to make more decisions on how they spend their money, and how they can save. As well as being good for the customer, smart meters are also good for business as it means less people are phoning BG to complain about bills.

Nick mentioned Hive – BG's app to help control heating in the house. Launched in 2013, it helps people to manage their heating from their smartphone and is currently being rolled out in Europe. Nick concluded by stating that BG are in discussions with the Government on how to make the roll out more efficient.

### **4. Rhian Cook, Energy Projects Officer, Being Greener, Melin Homes**

Rhian is involved with the smart meter roll out on the ground in Monmouth and Torfaen. Melin Homes send letters to tenants explaining smart meters, and have provided a freephone number for tenants to receive advice about smart meters. Melin have worked alongside Care and Repair to reach customers over 65 with no internet. The logos of both organisations help with customer trust. In addition, face-to-face advice gives customers reassurance.

Rhian spoke of some of the myths around smart meters, for example bills being higher, causing fires, and radiation dangers. These can be dispelled in face-to-face meetings. Other obstacles include connection issues (e.g. thick walls, or where the meter is placed). Some people wrongly assume that they cannot have one and therefore do not register. There is a lot of bad press surrounding smart meters, more positive stories are needed.

Overall, Rhian felt the feedback was mainly optimistic. The rollout could be helped with better connection, and also by being rolled out in one area at a time.

## 5. Questions

Mark Isherwood opened the floor for questions. Mike Anderson (SSE) asked which demographic groups were particularly interested / not interested in smart meters. Fflur (Smart Energy GB) stated that the over 65s have a higher understanding but are more sceptical of smart meters. Young people aged 21-28 have less of an understanding and less of an interest. They do not take an interest in energy or bills, possibly because they don't yet own a house. Renters, particularly those in a multi households, are interested.

Nick (Centrica): Because BG are calling customers between the hours of 8am-6pm, they are disproportionately reaching the older, retired generation. Therefore these households are having smart meters installed more frequently. Third party advocacy is needed so that other demographics can call their suppliers themselves to ask for a smart meter.

Eurgain Powell (Future Generations) asked if there was a plan to target those in fuel poverty, and was the 3.5% saving a year lower than expected? Nick answered that there wasn't an initial expectation that smart meters would tackle fuel poverty, as the roll out was largely driven to give people more control with data. Carole (NEA) said that NEA are keen to see smart energy bring benefits to those on prepayment meters (PPM's). The number of PPM's are rising and are increasingly being offered to those in debt, Ofgem need to monitor why this is the case.

Steve (Wales and West Utilities) asked what message is going out for those customers who cannot currently get a smart meter. Fflur (Smart Energy GB) stated that this is currently being worked on, SMETS 2 should be providing solutions to these issues. Nick (Centrica) answered that at the moment, hard-to-reach customers are being advised to get back in touch when technology catches up.

Mark Isherwood AM identified that social media had not yet been mentioned. Smart Energy GB have been utilising social media particularly with TV adverts, for example Ainsley Harriet.

Mark Isherwood AM asked what engagement had there been with financial literacy and the financial capability networks. Fflur stated that Smart Energy GB had been training partners to give advice, liaising with different networks, different pots of funding, and supporting people apply for grants. Michael (SSE) answered that SSE customers were being offered a smart meter if they were in debt. He pointed out that it's important to ensure customers do not use less energy than they need to be.

## 6. Actions from discussion

Mark suggested that plenary time can be used in the future to draw attention to issues discussed in the group. A short debate on the 6th February can be used to reach Ministers.

Future date meetings are yet to be scheduled.