

# Draft Scottish Energy Strategy

## Smart Energy GB

### Introduction

Smart Energy GB welcomes the opportunity to provide the Economy, Jobs and Fair Work Committee with written evidence to support its consideration of the Draft Scottish Energy Strategy and Scottish Energy Efficiency Programme.

The purpose of our submission is to highlight to the Committee the areas we feel smart meters and the national rollout can support the ambitions of the strategy.

### About Smart Energy GB

Smart Energy GB is the voice of the smart meter rollout. It's our task to help everybody in Scotland, England and Wales understand smart meters, the national rollout and how to use their new meters to get gas and electricity under control.

Every household and microbusiness in Scotland will be offered a smart meter upgrade by their energy supplier by the end of 2020. **Nearly 7 million smart meters have been installed to date across Great Britain.**

### Draft Energy Strategy

We welcome the overall ambitions of the Draft Energy Strategy, and specifically the reference to, and acknowledgment of, smart meters and the national rollout in Section 4.

However, given the significance of the smart meter rollout in terms of a nationwide energy infrastructure upgrade, we believe there is an opportunity for further strategic overlap and coherence. The strategy could be clearer and more ambitious with regards to the relationship between the rollout, as a significant upgrade in our energy structure, and the policy objectives outlined in the document.

Rather than being a stand-alone policy measure, we see the rollout as a step-change that underpins many other energy policies.

More specifically, we believe there is scope for further strategic overlap and coherence in the following areas:

- reducing energy demand
- enabling a more flexible smart grid
- helping those on pre-payment meters

### Reducing energy demand

Smart meters have an important role to play in helping energy consumers understand and potentially reduce their energy usage. This is mainly achieved through the mandatory provision of an in-home display, which communicates directly with the smart meter/s and shows near real-time energy consumption in pounds and pence.

**The latest *Smart energy outlook*, our own bi-annual survey of 10,000 energy customers, shows that of those households that already have a smart meter,**

**82% have taken at least one step to use less energy, and 71% feel more in control of their energy use.<sup>1</sup>**

The ability of smart meters to empower consumers to reduce their consumption, and use the knowledge of their own energy use to change their domestic behaviours should they wish to, is a powerful tool in reducing demand. We believe the enabling function that smart meters can play in this regard should be more explicitly recognised in the strategy.

#### Supporting a smart and flexible grid

Smart meters will form key part of the emerging smarter grid system because of their wireless connection and regular, automated meter readings. This will allow for energy generation to be more accurately matched to energy demand.

A smarter grid, using real-time information on energy usage from smart meters, will enable a reduction in wasteful over-generation and better voltage management. Smart meters will also lead to faster identification and management of electrical outages.

We believe the opportunities presented by smart technology for a smart and flexible grid could be more explicitly referenced in the strategy.

#### Pre-payment customers

There are a higher proportion of pre-payment customers in Scotland than in England and Wales (around 19% of households for electricity, 16% for gas<sup>2</sup>). The smart meter rollout is transforming the customer experience for pre-payment in particular, with a range of more convenient ways to top up credit, such as online and through a mobile phone.

Much clearer information about what different appliances cost to run, in pounds and pence, combined with clear tariff information, will put pre-pay customers back in control of their energy use. Additionally, because smart meters are able to operate in either credit or pre-payment mode, there is increasing parity between the cost of credit and pre-payment tariffs.

#### **Summary**

We believe that the smart meter rollout will deliver both a range of important consumer benefits and a vital infrastructure upgrade to Scotland's energy system.

We think that some of these benefits could be recognised more explicitly throughout the strategy so that the rollout is acknowledged as having system-wide benefits as well as those at household-level. In addition, there could be greater overall coherency between the rollout and the strategy's ambition, rather than treating it as a stand-alone policy measure.

## **Smart Energy GB**

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<sup>1</sup> Smart Energy GB: Smart energy outlook (February 2017) Pg. 10-11  
<https://www.smartenergygb.org/en/~media/SmartEnergy/essential-documents/press-resources/Documents/Smart-energy-outlook-February-2017.ashx>

<sup>2</sup> BEIS Quarterly Energy Statistics <https://www.gov.uk/government/statistical-data-sets/quarterly-domestic-energy-price-stastics>