Introduction to the Smart Metering Implementation Programme

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What is the Smart Metering Implementation Programme (SMIP)?

- Smart Meters are the next generation of gas and electricity meters and will allow energy companies to communicate directly with the meters installed in consumers' premises.

- The low carbon transition will be driven by new business models and innovative products and services, enabled by the deployment of Smart Meters:
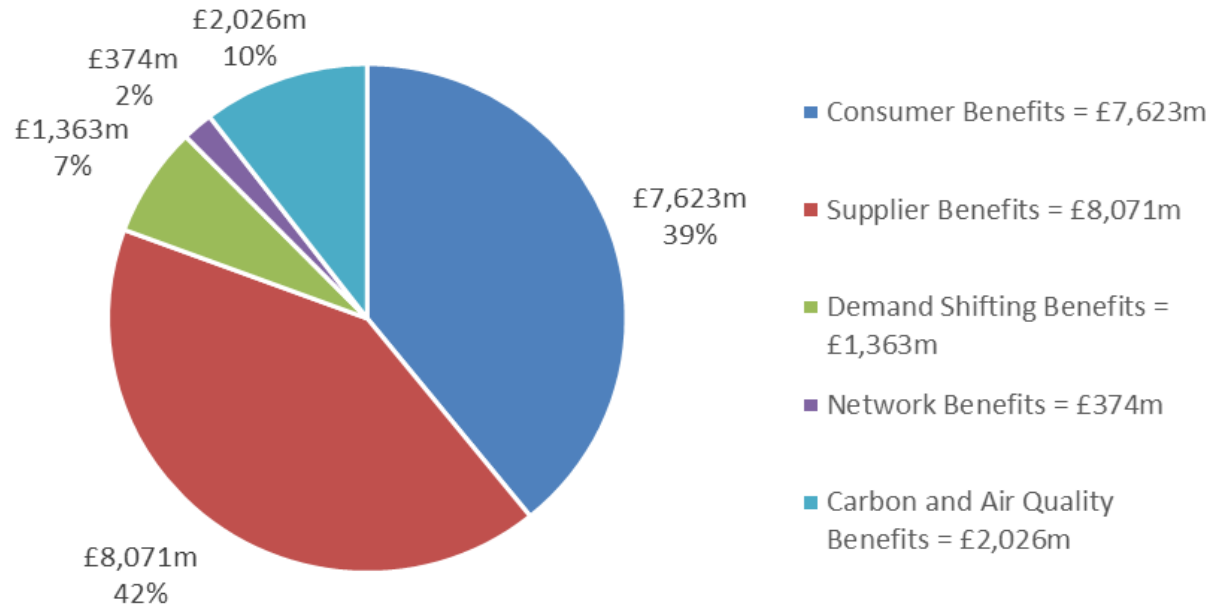
Smart enabled innovation:
- Electric vehicles & charging
- Smart appliances & homes
- Microgeneration
- Digital care products and services

Smart enabled data:
- Demand side management
- Half-hourly data
- Smart tariffs
- Consumer engagement & switching
- Data driven energy efficiency

- Government is committed to all homes and small businesses being offered Smart Meters by the end of 2020. The SMIP is intended to deliver this outcome, along with the associated benefits.

Benefits (BEIS I.A. September 2019)

Total Benefit £19.46bn

■ Consumer Benefits = £7,623m

■ Supplier Benefits = £8,071m

■ Demand Shifting Benefits = £1,363m

■ Network Benefits = £374m

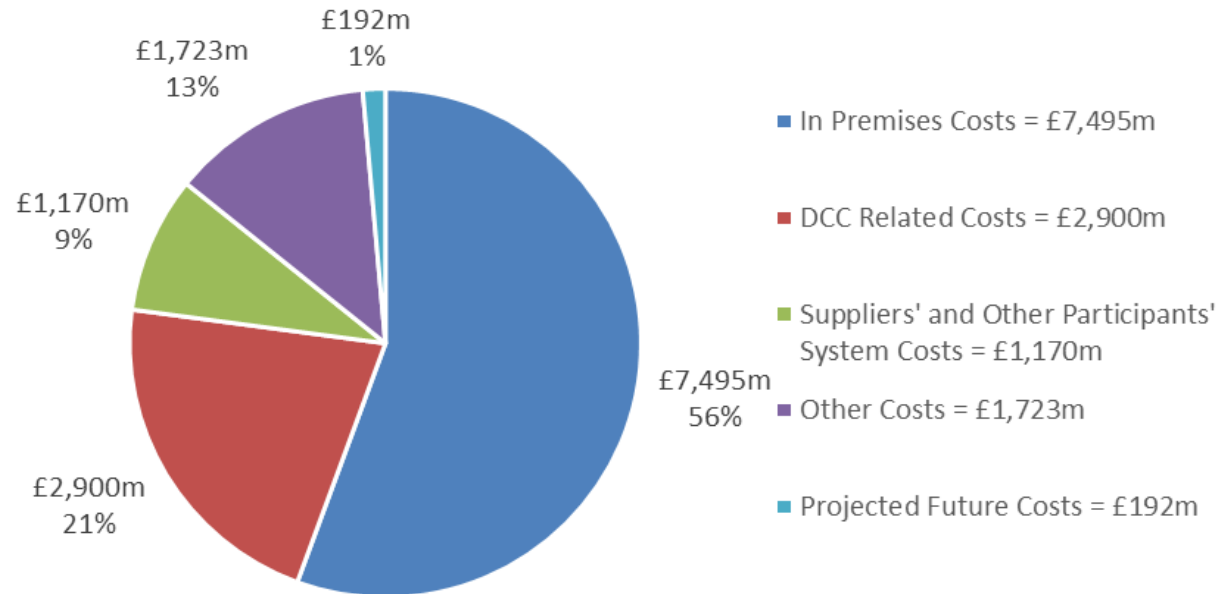■ Carbon and Air Quality Benefits = £2,026m

Consumer benefits:

- Energy savings based on direct and indirect feedback, along with energy efficiency advice.
- Time savings based on reduced need to read meters, along with prepayment top-ups becoming available in the home.

Supplier benefits:

- Reduced number of site visits.
- Reduced number of inbound calls.
- Lower prepayment cost-to-serve.
- Remote control, e.g. change of tariff or payment type.
- Increased theft detection.

Costs (BEIS I.A. September 2019)

£192m
1%

£1,723m
13%

£1,170m
9%

£7,495m
56%

£2,900m
21%

- In Premises Costs = £7,495m
- DCC Related Costs = £2,900m
- Suppliers' and Other Participants' System Costs = £1,170m
- Other Costs = £1,723m
- Projected Future Costs = £192m
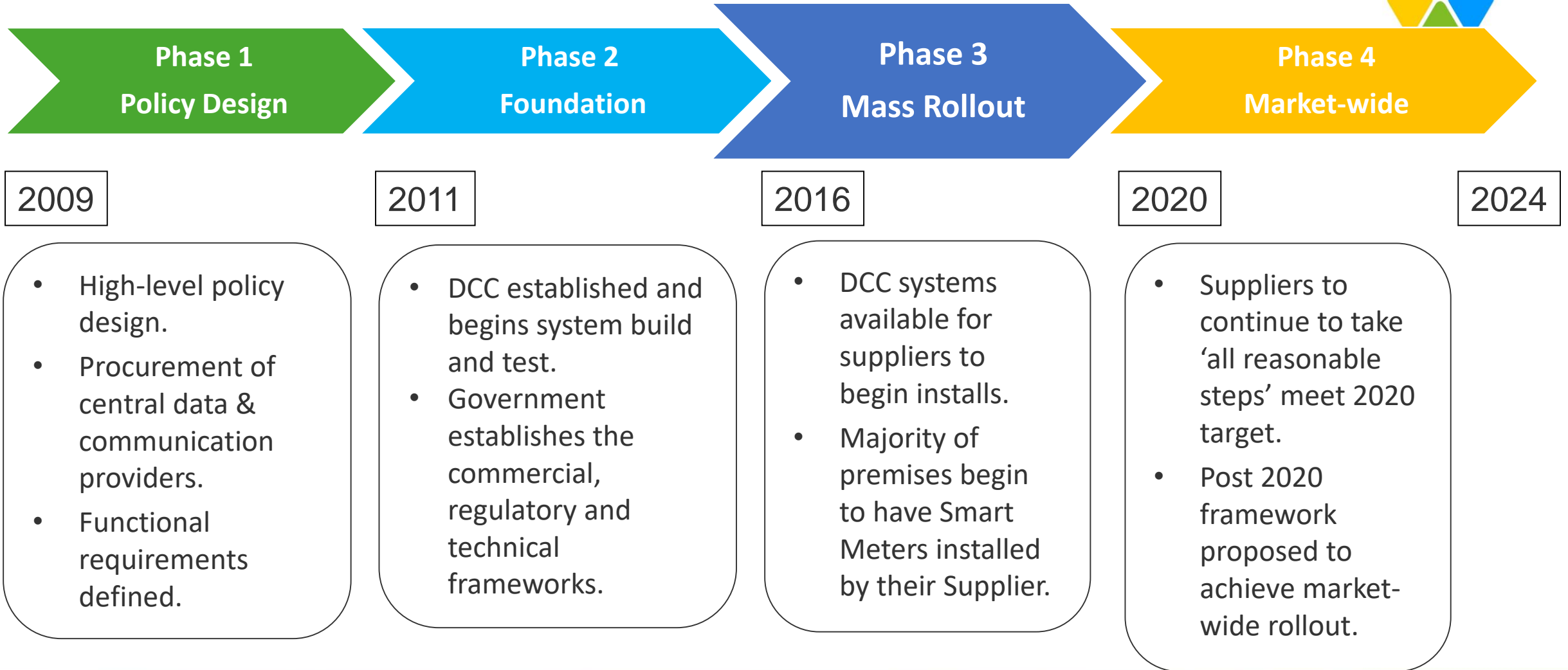
Total Cost £13.48bn

In Premises Costs:

- Asset purchase costs
- Asset operation and maintenance
- Training and managing installers
- Setting appointments
- Transportation
- Insurance & legal

DCC Related Costs:

- **Internal:** DCC staff, overheads and allowed margin.
- **External:** Service Provider contract costs.

The total net benefit to UK consumers of the rollout of smart meters in GB is estimated to be around £5.98 billion

A brief history of the SMIP

| Phase 1 Policy Design | Phase 2 Foundation | Phase 3 Mass Rollout | Phase 4 Market-wide |

2009
- High-level policy design.
- Procurement of central data & communication providers.
- Functional requirements defined.

2011
- DCC established and begins system build and test.
- Government establishes the commercial, regulatory and technical frameworks.

2016
- DCC systems available for suppliers to begin installs.
- Majority of premises begin to have Smart Meters installed by their Supplier.

2020
- Suppliers to continue to take 'all reasonable steps' meet 2020 target.
- Post 2020 framework proposed to achieve market-wide rollout.

2024

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