

## DECC ISSUES CONSULTATION ON SMART METERING

**The Department of Energy and Climate Change (DECC) has announced a further consultation on the proposed rollout of smart metering to UK domestic customers and SMEs.**

The consultation is seeking opinions on the preferred market model, and whether SMEs should be treated differently to domestic customers.

Three market models have been considered:

### THE COMPETITIVE MODEL

**Extends the existing competitive market arrangements. This model provides maximum opportunities for new, independent market entrants (such as UPL) which have made the financial investment to take an active role in the development of this market and its services. It encourages innovation and provides freedom of choice for customers.**

### THE REGIONAL FRANCHISE MODEL

**Each geographic area would have a metering and data agent appointed under a competitive tender, which all energy suppliers would have to use for both meter swaps and automatic readings.**

### THE CENTRAL COMMUNICATIONS MODEL

**Meter swaps would remain competitive under the current market arrangements, while communications for automatic reading would be made monopolistic through the appointment of a central communications provider.**

DECC suggests that the final option offers the greatest overall net benefit. It could, however, reverse the introduction of competition in data services and meter reading, which has existed in the market for many years and has helped to keep costs down.

Considering that a communications link to every home will be needed in order to download the meter data, it seems strange that neither this consultation nor the recent

'Digital Britain' report issued by the government make reference to each other. Linking the two would present a significant opportunity to deliver solutions which achieve both objectives.

DECC's advisors admit there is a risk that the currently preferred central communications option will stifle innovation. By pursuing a monopoly provision model, options to enhance the use of this communications link to homes – to provide broadband, public information or security services, for example – could be lost as the monopoly provider seeks only to meet the minimum specification of downloading meter readings.

For the domestic market, DECC advocates that the provision of an in-home display unit (which takes information from the new electricity and gas meters and displays usage rates in cost terms) will help to make energy users more aware of their consumption, and change their behaviour in the way they use energy. In today's society, a 'one size fits all' solution is too restrictive and options such as provision of energy information via the Internet, digital TV or even text messaging should also be considered.

Looking forward, smart metering could also form the backbone of a future 'smart grid' system, which would allow more control over demands on the gas and electricity networks, resulting in capital investment savings by avoiding unnecessary reinforcement.

For the SME business market, it is vital that customers retain full choice over the provision of their energy information with the ability to select a service which matches their requirements. To that end, UPL will be responding to the consultation to appeal for open customer choice in metering and data services for UK businesses and for as minimal a layer of monopoly in communications as possible.

For businesses with small or medium sites currently considering smart metering, the consultation makes provision for pursuing such a strategy now – as may be required to support schemes such as the Carbon Reduction Commitment. The new market arrangements will not start until 2013, with a seven-year programme following on.

## OLYMPIC-SIZED UPGRADE FOR DOCKLANDS LIGHT RAILWAY



**A £208 million scheme to upgrade the Docklands Light Railway (DLR) in time for the London 2012 Olympic and Paralympic Games is due for completion shortly. The DLR Three-Car Enhancement project (DLR3) will improve the infrastructure of the railway, allowing trains to operate with three carriages instead of the current two and increasing capacity on the DLR by 50 per cent.**

By enhancing the infrastructure of the DLR and expanding the depot at Beckton, three-car trains will be able to operate along key routes throughout the Docklands and Thames Gateway. The scheme was introduced in order to accommodate an anticipated increase in passengers from 62 million in 2007 to more than 80 million a year by 2010. The upgraded DLR, which extends up to the heart of the Olympic Park in Stratford, will also play a key role in providing an efficient, world-class transport link for Games spectators in 2012.

The infrastructure work required for the project is complex: platforms are being extended at more than 19 stations to accept three-car trains, station lifts and stairways installed, bridges and viaducts modified and strengthened, and railway tracks re-aligned and re-graded. Construction is currently taking place between Royal Victoria and Stratford International, with future work planned between the King George V and Woolwich Arsenal stations.

From diverting electricity cables to moving gas pipes and substations, the project has so far required comprehensive utility planning. UPL is working on behalf of DLR3 lead contractor Taylor Woodrow to deliver the project's utility planning requirements. We have provided detailed upfront feasibility studies to identify existing utility infrastructure, estimated diversion costs and presented proposals to ensure cost-effective project planning,

cutting more than £10 million from the original DLR3 infrastructure budget. We have also provided utility project management services throughout the scheme, ensuring timely delivery of utility works and generating further savings in excess of £2 million.

### **Guaranteed smart metering at UPL: what makes us different?**

Completely independent smart metering and data solutions, so you're not tied in to any energy supplier

Industry-accredited MOP and DC/DA

Guaranteed installation times available

Web-enabled energy management system to view and analyse data

Individually tailored, flexible options on technology, data and finance

Bespoke sub metering systems for large sites, with optional tenant billing service

### **UPL DELIVER**

Smart Metering

MOP Services

Automatic Monitoring and Targeting

Energy Procurement

Bill Investigation and Dispute Resolution

Data Services

Environmental and Energy Management

Wayleaves

Utility Management

Value Engineering

Design and Feasibility Services

Sustainable Energy Services

Legislative Advice

### **UPL (Utility Partnership Limited)**

#### **UK headquarters**

Prennau House  
Copse Walk  
Cardiff Gate Business Park  
Cardiff  
CF23 8XH

#### **London office**

2 Saxon House  
Upminster Trading Park  
Warley Street  
Upminster  
RM14 3PJ

#### **Scottish office**

Unit 10  
Airdrie Business Centre  
Chapel Lane  
Airdrie  
ML6 6GX



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