

Jorge Pikunic speaks at Marketforce's Smart Metering Forum

3 December 2014 - Jorge Pikunic, MD Smart Metering at British Gas, talks about how smart meters are changing customers' relationships with their supplier and their energy.

Good morning.

Many in the audience today may have heard me or one of my team speak already this year on British Gas' progress in getting smart meters into over 1.5 million British homes and businesses.

For those of you who have, you'll be pleased to hear I'm not going to repeat all that.

Instead, I'm going to focus on 'what next' for smart meters, when we go beyond the more straightforward and easy-to-reach credit meters that make up most of the roll-out so far.

I'm going to issue an appeal for everyone to commit to the smart meter roll-out being inclusive – so it will benefit everyone, no matter what sort of home they live in, or whether they are a credit or pre-pay customer.

By dedicating our focus on inclusivity, and by working together and with the Department for Energy and Climate Change, with the Data Communications Company, and with our technology partners, we can get the benefits of smart meters into over 25 million homes.

And not only smart meters that work no matter what the building type or size; or whether the customer has credit or pre-payment meters. But also smart meters that come with a choice of how people see their energy – be that a physical or a virtual in-home display; and smart meters rolled out with the future in mind, preparing and exciting people about the potential for time of use tariffs, and connected appliances that respond to peak times for electricity.

I'll come on to how I think we can work together to make this happen. But first, something you may have heard a little bit about, the smart meter challenge British Gas ran with 14 homes over summer.

The national Smart Meter Challenge was the most detailed study we have ever done into the way smart meters can change the experience our customers have with their gas and electricity.

Yes, we already knew about the savings potential from smart energy monitors, but we wanted to probe whether, if challenged just that little bit more, people could change their behaviour to be even more energy efficient. Not only saving on their bills but feeling empowered and perhaps even trusting us as their energy supplier a little bit more.

Let me play a short video of Deborah and her husband Brian from Cardiff, on why they took part in the challenge and what they found.

[The Auton family take on the British Gas smart meter challenge](#)



All 14 ‘challenger’ households had much the same experience as Deborah and her husband; quickly realising smart meters let you see where you’re wasting energy so you can be more efficient.

Before the challenge, energy was seen by our households as something invisible, technical and confusing. Just 1 out of 14 households said they felt in control of their energy use, and worse, didn’t even know if their bills were accurate or not.

Before the challenge, energy was seen as something that couldn’t be influenced, with many thinking they’d need to make massive changes to their homes or routines to make a difference to their energy use and bills.

Before the challenge, managing energy bills was at best a time-consuming chore, and at worst a source of anxiety for many of the households.

But after the challenge – what a transformation! 12 out of 14 households said they felt in control of their energy use.

Energy became something simple and visible, with one of our participants, Katie, realising: ‘Electricity only costs me about £1.36 a day, and you can’t get much else for that, can you?’

It became something easy to control, with Lynne saying: ‘Knowing now there are small things I can do makes me confident, as I thought we were going to have to change loads.’

And because of the technology, managing energy became more closely aligned to the way we manage other areas of our lives.

Like for Marie, who likely uses apps to manage her banking or grocery shopping, who said: ‘Before, on the 15th of every month, I’d read the meters outside, with a torch. Now, it’s all digital and the readings will be completely accurate. I don’t need to worry when I’m on holiday either, as it’s all done for me.’

They’d also saved significantly more money than we expected, using 6 per cent less gas, and 7 per cent less electricity than similar homes without smart meters, and seeing that impact on their bills. We expect this savings boost was because our participants were even more engaged with their smart meters than other smart meter customers, partly because they were involved in a challenge.

It’s encouraging to see what can be achieved when people are fully engaged.

It was equally encouraging to see how smart meters can help restore trust in the industry. Stella, in London, said: ‘I was quite angry about my bills before I got smart meters – I had no idea why I was paying so much. Now I can see every day where it’s going, it’s clearer and fairer’.

We’ve published a report about the challenge online, and I have some printed versions here if anyone would like a copy. Our families really have provided a fascinating peek into their lives, and I hope we can all benefit from the findings of the challenge.

It’s clear that the overall picture is that smart meter customers are in control. And as a result, they trust us, their energy supplier, more. There’s no denying the energy sector has not always been fast enough to adjust to swiftly-changing customer expectations. As you can see from the Smart Meter Challenge though, we can transform this experience.

But we can’t expect to build trust with all our customers if we’re only rolling out smart meters to some of them.

We need to ensure the smart meter roll-out is inclusive of all type of customer, in all type of home.

And while some of this relies on the DCC getting up and running, there is an awful lot we can and must already be doing to get smart meters to as many homes as we can.

So all suppliers must continue, or start – in earnest – giving people smart meters.

But at the same time, we need to look to the future: to continue to develop the technology to ensure the inclusivity I spoke about earlier is realised.

The Smart Meter Challenge of the future

For example: In the next couple of years, if British Gas repeated the smart meter challenge, I'd like it to include a household using a smart pre-payment meter. I'd like their 'before' picture to share their story of crawling through shoes in the closet under the stairs to peer at their credit balance; trudging through the rain to queue at the shop to top up; and about the time they misplaced their card and needed to arrange emergency credit to bathe the kids.

I'd hope the 'after' experience would be a transformation for them, with credit balances clear to see on the smart energy monitor; budgets simply set; and top ups done quickly and easily over the phone or on an app from the comfort of their sofa.

As the recent Smart Energy GB research shows, almost half of homes in Britain want to use smart pay-as-you-go services to buy their gas and electricity. That's almost three times the number using the somewhat outdated pre-payment service that most of the industry provides today.

It's early days for us at British Gas in trialling pre-payment smart meters, with over one hundred customers. And already we're finding an improved experience of pre-payment, with customers saying it's more convenient and easier to see how much energy is being used. One customer on the trial said: 'It feels like we have moved into the 21st century!'

In the smart meter challenge of the future, I'd also like to hear from a customer who opted for a virtual in-home display instead of the physical. They could tell us how having information on their latest energy use in their pocket has helped them make better budgeting decisions. They might even also have our Hive Active Heating remote heating control, so they can see at work on their virtual in-home display that they're nearing their budget limit for the day, and so choose to remotely change their heating schedule to come on just a little later, or at one degree cooler to help manage their energy costs.

We're developing a version of a 'virtual' in-home display already, to see how customers might use it and to make a case for virtual displays to be offered alongside the physical smart energy monitor, to people who might prefer to receive information in this way.

And Energy UK is working with the Royal National Institute for the Blind on behalf of all suppliers, to develop an in-home energy display that caters for the blind and visually impaired. The point here is: one size does not fit all, and we need to be flexible and innovate to find the best solutions for everyone.

I'd also like the smart meter challenge of the future to include families who are getting the most out of their smart meters by opting for a time of use tariff. Perhaps they're changing their behaviour to do more electricity-guzzling chores on a Saturday for instance, when they get free electricity. And maybe they're using internet-connected appliances that know when electricity is cheaper and send an alert to their mobile phone with an option to remotely switch them on.

We've trialled two types of these tariffs recently – including giving people the option of free electricity on a Saturday or a Sunday – and saw customers reduce their consumption during peak time by almost ten per cent.

And I'd like the smart meter challenge of the future to include a family in a high rise building, and one in a rural area. Currently, we can't get smart meters to that kind of home – and that's 30 per cent of homes – but if we co-operate on developing an industry solution, we'll get there more quickly, and more cost effectively.

British Gas is testing a technology solution for people in these types of buildings, working with the London Borough of Tower Hamlets and other partners, trialling ways to extend the Home Area Network as well as demand side response. You'll hear more on this from Steve Briggs later today.

But only by working on these technologies and enablers as early as possible, will we achieve an inclusive smart meter future.

So my asks to everyone in this room are:

First to the energy suppliers and to your suppliers and partners: let's continue to innovate to bring the benefits of smart meters to all our customers, be they credit, pre-pay, in a tall building or a remote farmhouse. Let's speed up our efforts to rolling-out smart meters, so everyone in Britain can enjoy a transformed energy experience – like Deborah and our other smart meter challenge households. And let's work to ensure that once customers have smart, they stay smart, by agreeing for instance to maintain smart meters installed by other suppliers.

Second, an ask to Government. Please ensure the earliest development of technology to get smart meters into more remote homes or where there are more complex installs. For example, take the lead on developing a commercial framework to enable quick and cost-effective installation of smart meters into tall buildings, bringing the benefits of smart meters to more customers sooner.

And finally, to everyone: let's commit to making our smart meter roll-out one with inclusivity at its heart.

Thank you.

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