

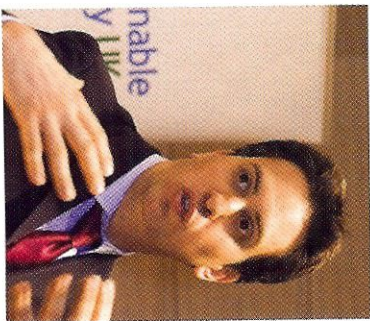
Will smart meters make a difference?

The Government has unveiled plans for every home in the UK to be fitted with a 'smart meter' by 2020. PHAM News reports on how the industry has responded to the announcement and the opportunity to encourage consumers to invest in renewable technologies.

Described as the biggest upheaval in household energy supplies for decades, the plans to put a 'smart' meter in every home in the country by 2020 have been welcomed by utility companies "who anticipate big savings by avoiding the need for meter readings and estimated bills. But will they also be good news for the consumer and will they help to encourage users to invest in more energy efficient technologies?"

Studies have shown smart meters encourage homeowners to cut energy use by up to 15% and the Government estimates that putting smart meters in the UK's 26 million homes could save customers and energy companies up to £3.6bn over the next 20 years. However, it is estimated that the cost of the programme is likely to be more than £8bn, with utility companies paying up-front but able to pass on the charge.

Despite fears that the Government may have underestimated the cost of the programme, the Energy Retail Association argues that the introduction of



Energy Secretary Ed Miliband

smart meters would be 'cost-neutral' to consumers because savings to utility companies would partly find them. As well as making it easier for householders to sell power generated by renewable technologies back to the grid, smart meters should also enable users to invest in 'smart appliances' which will switch off at peak times when the price of energy is at its highest.

"The meters most of us have in our homes were designed for a different age, before climate change," says Energy and Climate Change Secretary Ed Miliband. "Now we need to get smarter with our energy," so it's important

we design a system that brings best value to everyone involved."

Time for an upgrade

The proposals are good news according to UK boiler manufacturer Worcester, but the company is concerned that the delay in implementation is a missed opportunity to encourage consumers to upgrade inefficient heating systems, in particular the 17 million standard efficiency boilers still in use in the UK.

Neil Schofield, Head of Sustainable Development at Worcester, comments:

"Anything that makes energy usage more transparent for the consumer is good news, but the delay is a missed opportunity. We believe that only a transparent correlation between daily energy usage and the final bill will encourage consumers to grasp the nettle on the key environmental issue we face, namely the replacement of standard efficiency boilers, which are both expensive and environmentally unfriendly."

Schofield also argues that the meters should be able to record the carbon footprint

of individual homes. "The day is coming when we will be asked to account for our individual carbon generation. It would be nice if the meters could also display the carbon footprint of a home. Armed with this information, consumers will be further encouraged to embrace renewable technologies."

Important role

The Confederation of British Industry (CBI) has responded positively to the Government's announcement, but argues for further clarity in how smart meters will be introduced during the proposed

timescale.

Dr Neil Bentley, CBI Director of Business Environment, comments: "Enabling businesses and consumers to know exactly how much energy they are using with smart meters will encourage them to think about how they can reduce their energy use and cut bills. With 40% of the UK's carbon emissions coming from buildings, smart metering will play an important role in reducing emissions."

"Achieving all of this by 2020 is going to be a big job. It is important that consultation lays out a clear

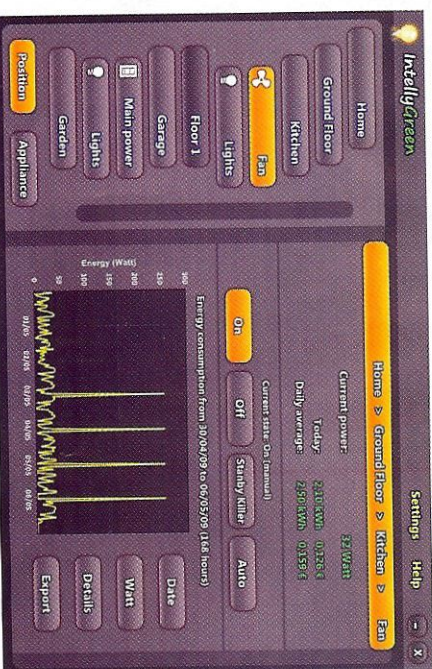
and cost-effective framework for rolling out smart metering so energy companies can get on with delivering this ambitious scheme."

Watching brief

Energy monitoring specialist IntellyGreen has welcomed the decision. MD Salvatore Cirasuolo believes the move will deliver substantial cost savings for end users and assist the Government in moving towards a low-carbon economy.

He says: "It is a recognised fact that simply by monitoring power usage, bills can be cut for all users, from householders to commercial and industrial operators. We are already supplying wireless monitoring systems for domestic and commercial use for both electricity and gas. On the domestic side we normally expect to see energy bills reduced by some 20%, more for commercial installations."

The Government is now consulting on the details of the scheme and the consultation period is set to run until 24 July. For more details please visit the DECC website (www.dec.gov.uk).



Energy monitoring software from IntellyGreen

