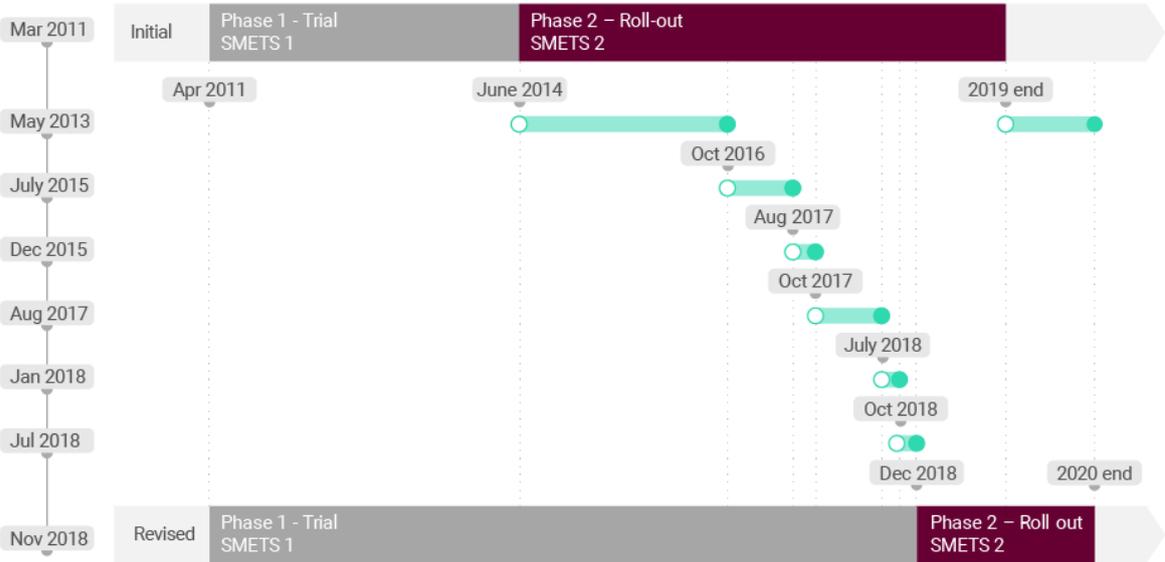


HOW GB COULD LEARN FROM THE FRENCH SMART METER (LINKY) PROGRAMME



The GB Smart Meter programme has been again in the news and as usual, for the wrong reasons. This time the National Audit Office (NAO) has concluded the target of delivering 53 million smart meters by the end of 2020 is unattainable. The cross-party British Infrastructure Group of Parliamentarians (BIG) made a similar warning last July.

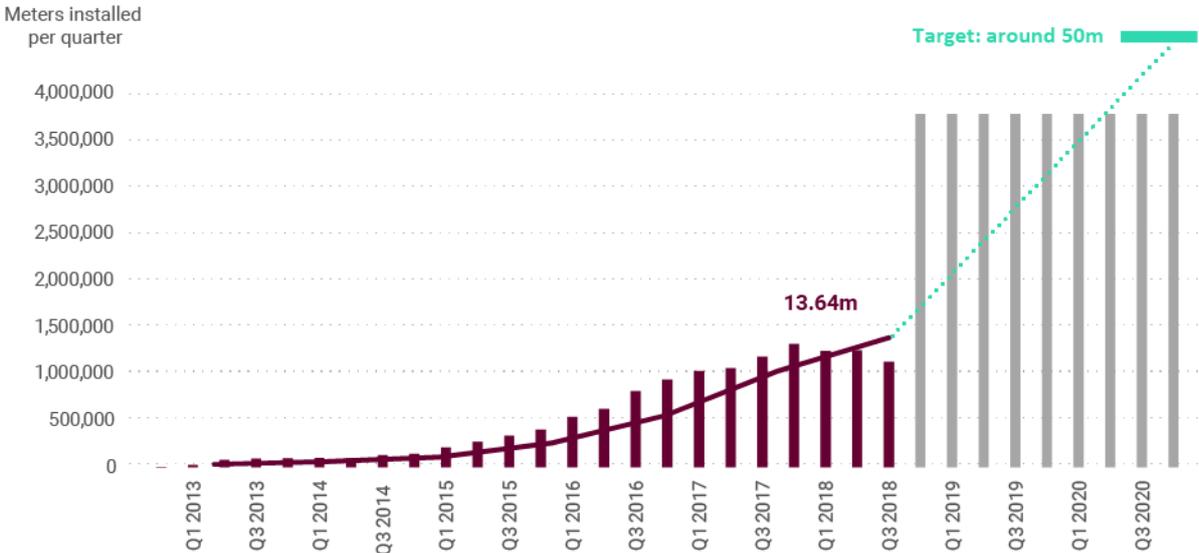
Ever since the Government made the decision to proceed with smart meter deployment in December 2009, the programme has been beset by problems. Difficulties with its communication system, meter technical specification and technology development have all caused major delays. We can see from the chart below how the deadlines have been pushed back on numerous occasions.



INITIAL AND REVISED SCHEDULE FOR SMART METERS ROLLOUT IN GB, SHOWING THE NUMEROUS DEADLINE UPDATES.

At the end of September 2018, out of 53 million, about 38 million traditional meters were still waiting to be replaced. It is also very likely that many of the 14.7 million meters already deployed (93% of which, i.e. 13.64 million, in domestic properties) will have to be changed because of interoperability problems.

That would mean installing more than 300,000 meters a week from now on and for two years, while suppliers are said to be currently rolling out less than a third of this amount. The chart below shows the pace of deployment for the GB programme to meet its targets.



SMART METERS DEPLOYMENT IN DOMESTIC PROPERTIES FROM Q4 2012 TO Q3 2018 AND PROJECTION TO REACH THE 2020 TARGET OF AROUND 50M METERS

It is worth comparing this performance to the French electricity smart meter programme, known as Linky. As we can see from the comparison below, France and GB both need to roll out an average of 6 million meters per year over the length of their respective programmes. However, Linky has completed over 98% of its intermediary objectives to date, with a deployment pace currently at 150,000 meters a week, expected to peak at 175,000 in 2019 and 2020.

France is also showing the way of delivering smart meters in terms of costs as it seems to be well on track for completing Linky not only in time but within its budget of only €5bn. This is less than half the £11bn planned by the government for GB, which will be hit by an increase of at least £0.5bn, and potentially much more, according to the NAO.

		France - Linky	GB – smart meters
Number of meters to install		35 million	53 million
Fuel		Power	Power & gas
Targeted sites		Domestic and small non-domestic sites	
Timeframe / Schedule (as of Nov 2018)	Trial phase	1 year (Mar 2010-Mar 2011)	7 years (mid 2011-Dec 2018)
	Deployment	6 years (Dec 2015-Dec 2021)	2 years (Dec 2018-Dec 2020)
Initial planned Cost		€5bn	£11bn
Actual Cost (Nov 2018 estimate)		€5bn	£11.5-13.5bn
Licensed operator responsible for rollout		DSOs (Enedis for 95% of the sites)	Suppliers

COMPARISON OF THE BRITISH AND FRENCH SMART METER PROGRAMS

For GB, even a 2023 roll out completion date is now looking optimistic. There are several reasons for this superior performance in the French programme:

1. Linky is led by the network operator, the EDF owned Enedis. It is a coordinated programme driven by one single player instead of numerous parties, which makes it much easier logistically.
2. The metering technology and communication systems are not overly complicated. The decision has been taken to get a system in place that has been successfully tested and that works, rather than a complicated one that could result in delays.
3. The metering technology is standardised, meaning there are no discrepancies or restrictions when customers change suppliers.
4. A distinct trial phase allowed to test the technology and to assess and plan the programme thoroughly, well before the start of the roll-out.

Is it too late to change for the GB programme?

The GB programme is now way over time and over budget. Many of the already installed smart meters will need to be replaced. We must stop now and take the time to think things through.

The fundamental mistake was to make this a supplier led programme. There is a reason why the vast majority of smart meter programmes across the world are led by distribution networks. Network companies manage whole license areas, so it makes it easier for deployment. There is no need to obtain agreement on functionality and technology from numerous suppliers with different agendas, each trying to derive an advantage.

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