



Department for
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& Net Zero

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Sir Geoffrey Clifton-Brown MP
Chair of the Public Accounts Committee,
House of Commons,
Palace of Westminster,
Westminster,
London,
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4th November 2024

Dear Sir Geoffrey,

I am writing with regards to the recommendation made by NAO and the PAC following their 2023 review of the rollout of smart meters. This recommendation requested that DESNZ should report Programme costs and benefits annually to Parliament.

In response to this recommendation an expanded data collection exercise was undertaken using data to the end of 2023. Analysis was then carried out to update key costs and benefits associated with the rollout of smart meters. For the purposes of this exercise, the analysis assumes that no more installations take place after end 2023 but costs and benefits continue to be accrued for the installed smart metering base out to 2034 (the end of the business case appraisal period). This is a similar approach to that undertaken for the 2023 NAO review and provides a clear picture of the overall value of the rollout as at end 2023, even if no further meters were installed.

This work has been summarised in a report which I attach to this letter, showing that meters installed to the end of 2023 are expected to deliver a total Net Present Value (NPV) of £1.8bn (made up of £11.8bn costs and £13.6bn benefits associated with these meters) by end 2034. This shows that the smart meters installed to date already demonstrate a positive business case, with higher benefits than costs. The expectation is that this will continue to increase as more meters are installed in homes and businesses across Great Britain.

I have asked my officials to place a copy of the report in the House of Commons library.

Yours sincerely,

DR MIATTA FAHBULLEH MP
Minister for Energy Consumers