

Speech: Smart meters are the smart choice, now and in the future

Dial-up internet access, VHS and rotary phones are quite rightly consigned to history, and now we can order anything at a click of a button and can stream Netflix from your smart TV while booking our next holiday on your smart phone.

Given this technological revolution in our daily lives, it's quite frankly baffling that many of us still think it's normal to grab a torch, sweep away cobwebs and hunker down under the stairs to get readings from our ancient, dusty electricity and gas meters. But if you don't face this hassle, you risk an estimated bill way out of line with your actual energy use, potentially paying more or less each month causing cash flows and direct debits to fluctuate, making it difficult for families to budget.

It doesn't have to be like this. The smart choice is a smart meter. Customers across Great Britain have already chosen to install more than 12 million smart meters in their homes and small businesses. These devices give them real-time information about their energy use in pounds and pence and provide meter readings to suppliers automatically, putting an end to estimated bills. Smart meters give people control over their energy use, help them make choices to save money and give households more information so they can switch to cheaper deals. Better information also encourages consumers to take more savvy actions, such as buying more energy efficient appliances or switching to LED lighting.

Our intelligent, data driven, and smarter energy system is taking shape and smart meters are the key link in the chain to make this a reality. Not only will a smarter system deliver cheaper energy for consumers it will also help us meet our climate change commitments by ensuring our energy use is more flexible and efficient. A resilient energy system will also accommodate more renewable generation and provide clean power for the growing fleet of electric vehicles.

The report by the National Audit Office today highlights the progress of the rollout so far as well as raising some concerns about the technology and costs. What it doesn't acknowledge is how the UK has led the world in evolving its energy market to meet the needs of customers, and smart meters are the next step. Our rollout covers all household and small business energy needs – gas, electricity and prepayment – and will meet their requirements both now and in the future. Yes there will be some temporary teething problems with a technological overhaul of this ambition and scale, but these are small speed bumps in our journey to a smart energy revolution that will change our lives for the better.

The business case for smart meters remains overwhelmingly positive with nearly £17 billion worth of savings forecast for everyone from this technology alone. When you consider there are up to £40 billion of benefits a

smarter system will deliver between now and 2050, and you can see why we remain determined to meet our commitment of everyone being offered a smart meter by the end of 2020.

But I am aware of consumers' concerns so I want to reassure consumers that we are not complacent and issues with switching will start being resolved as meters are moved into our new national smart metering network. There will always be shifting sands in a first of its kind programme of this size and significance, and we are working hard to iron out operational issues as it progresses. Pushing back the rollout now – as some have suggested – would only delay millions of households from enjoying the substantial benefits of moving to a smarter energy system, and take the wind out of the sails of a rollout which is adding nearly half a million new meters a month.

By 2030 this tiny seemingly inconsequential device, tucked away in a corner of your kitchen, will wipe £1.2 billion per year off people's bills – an average annual saving of £47 per household.

If we all got one and use it to better inform our energy use, we could save enough to power every home in Aberdeen, Cardiff and Manchester for a year – every year.

Years from now, getting a reading from the analogue meter in a cupboard under the stairs will seem as strange as unhooking your landline to connect to the internet or playing your favourite song on a cassette player. Smart meters will make our lives simpler and easier and our bills more affordable, now and in the long-term. They are clearly the smart choice.