

Submitted via email to:  
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9<sup>th</sup> August 2021  
Ecotricity Reference Number: 1006  
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Dear Patrick Cassels,

**Response to Consultation on DNOs' request for directions to disapply the notice periods set out in the electricity distribution licence SLC 14.11 and in clause 19.1A of DCUSA Section 2A in regulatory years 2023/24 and 2024/25**

Ecotricity was the world's first green energy company when we established in 1995 and we have nearly 120,000 like-minded green domestic & non-domestic customers and almost 90MW of self-developed renewable energy generation capacity with more in our development pipeline. We continue to invest in new sources of renewable generation. We promote sustainable living through all of our activities in the sectors of Energy, Transport and Food.

We welcome the chance to respond on this issue, as we strongly believe that the 15-month notice period should remain. To do otherwise would see higher charges for consumers, as there will inevitably be an increased risk factor in their prices. There would also be increased risk of suppliers failing if they underestimate these costs which both see some charges mutualised amongst remaining suppliers and lower consumer confidence in the energy market.

We have answered the individual questions on the following pages. If you would like to discuss any of these answers further, please get in touch directly.

Yours sincerely



Alan Chambers  
Head of Regulation & Compliance

**Consultation Question 1: Do you agree with our initial views on whether to issue directions that the relevant DCUSA and licence conditions do not apply?**

We do not believe that directions should be issued to remove the notice periods. Suppliers set prices for consumers in advance and require some degree of certainty of industry charges to do this. We have seen recently how volatility of wholesale prices can disrupt the market and to allow extra uncertainty would make the market even more hazardous for suppliers.

Consumers would end up paying more as responsible suppliers would need to include the extra risk in their prices. If some suppliers gamble with their prices, they may be forced out of the market and see other unpaid industry charges mutualised amongst suppliers. This would lower consumer confidence in the market.

**Consultation Question 3: Do you agree with our initial views on the potential for a letter of comfort being sufficient to mitigate the main risk for DNOs? If no, please provide evidence of what the remaining risks are with this option?**

We agree with this proposal. It would be a sensible way to avoid penalising DNOs unfairly and avoid the problems referred to in our answer to question 1.

**Consultation Question 4: Do you think the benefit of advanced notice of charges outweighs the risk of significant under/over-recovery over multiple years? Please provide evidence to support your preference.**

We do believe the benefit of advanced notice of charges outweighs the risk of significant under/over-recovery over multiple years. As stated in the consultation, previous price controls have not seen significant changes between draft and final determinations. Any volatility would still see the amount consumers charged a fair rate for their energy, rather than it being priced at a level that factors in risk that would ultimately not be returned to consumers by a number of suppliers.