

ofgem

Making a positive difference
for energy consumers



Supplier Performance Report

1 January 2021 to 30 June 2021

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1. Introduction

What does the Supplier Performance Report show?

- 1.1. The Supplier Performance Report (SPR) shows supplier performance against their obligations on the environmental, energy efficiency and social schemes we administer:
 - Feed-in Tariffs (FIT)
 - Energy Company Obligation (ECO)
 - Warm Home Discount (WHD)
 - Renewables Obligation (RO)
 - Smart Export Guarantee (SEG)
 - Offtaker of Last Resort (OLR)
 - Fuel Mix Disclosure (FMD)
- 1.2. The report does not reflect a supplier's customer service, wider environmental performance, or its energy mix. It records the volume of supplier non-compliance incidents on the schemes listed above.
- 1.3. Scheme non-compliance might include things like not meeting a deadline set out in the relevant legislation, or submitting inaccurate data to us.

Why are we publishing this data?

- 1.4. We publish this data for transparency of the delivery and administration of government schemes, to ensure they promote consumer interests. It also helps to hold suppliers to account for non-compliance on schemes collectively worth more than £8.6 billion a year.
- 1.5. Incidents of non-compliance can increase the costs of delivering and administering the schemes, which can be passed on to consumers through energy bills.
- 1.6. As the administrator, we are committed to ensuring the schemes work as effectively as possible and deliver the intended benefits to consumers, without unnecessary cost.

What happens to suppliers featured in the report?

- 1.7. We work with the suppliers featured in this report to help them to improve their performance, including improving our guidance where necessary. Serious non-compliances such as failure to make a scheme obligation payment, are referred to our Enforcement team for consideration.
- 1.8. Over time, we will expect suppliers to improve and deliver the schemes more efficiently.
- 1.9. We prefer to help suppliers resolve problems early, rather than let them become bigger problems that might be more expensive and time consuming to fix later. However, if there are repeat occurrences and suppliers do not improve, then we may consider taking stronger action.

Which suppliers are included?

- 1.10. Suppliers who have had a non-compliance incident recorded between 1 January 2021 and 30 June 2021 are shown in chapter three (**Performance Data**). Please note that in some instances the non-compliance may have occurred sometime before it is added to the SPR database.
- 1.11. Obligations to participate in the schemes are placed on suppliers based on the number of customers they have. The threshold at which suppliers become obligated varies between the schemes, and some schemes (such as the FIT) allow smaller suppliers to participate voluntarily.
- 1.12. More information about the schemes, and suppliers' obligations can be found on our website¹.

Changes to the SPR

- 1.13. In June 2019 we conducted a review of the SPR with a view to enhance its value for stakeholders. Following consultation with suppliers and starting with the January to

¹ [Link to Environmental Programmes pages](https://www.ofgem.gov.uk/environmental-programmes): <<https://www.ofgem.gov.uk/environmental-programmes>>

June 2020 publication, we changed the frequency of the report from annually to every six months. We also changed the way in which the information is presented, the presentation being further revised in the previous edition. The aim of these changes are to give the reader more information on the specific areas where non-compliances have occurred, in addition to the volume of incidents.

- 1.14. It should be noted that the way in which we manage non-compliances, and the way they are scored² remains unchanged.

² Non-compliances are given a score based on the severity of impact, ranging from 1 (lowest impact) to 4 (highest impact). [Link to information on scoring methodology](https://www.ofgem.gov.uk/publications-and-updates/supplier-performance-report-information-suppliers): <<https://www.ofgem.gov.uk/publications-and-updates/supplier-performance-report-information-suppliers>>

2. Summary

Section summary

Overall, 300 incidents were added to the SPR database between 1 January 2021 and 30 June 2021. Of these the most common type was issues on the Central FIT Register (CFR), accounting for 53.7% of the total. Also of note, was a significant increase in the number of incidents on the RO scheme when comparing to the same period in 2020. This was largely driven by RO mutualisation payment issues.

- 2.1. As shown in **Table 1** there were a total of 223 administrative incidents (74.3%) and 77 legislative incidents (25.7%) reported within this period.³ The most common type of non-compliance was administrative issues on the CFR, accounting for 46.0% of the total. Other common issues include administrative issues with FIT Levelisation (9.0%) and RO Mutualisation (8.0%), and legislative issues on the CFR (7.7%).
- 2.2. It should be noted that incidents are not uniformly spread across the year as they are in many cases dependent on when certain compliance activities occur or indeed, when the entries are made on to the SPR database. For this reason, the data for January to June 2021 shown in **Tables 1 and 2** is compared with the equivalent period in 2020.
- 2.3. When comparing these periods there has been a fall in administrative incidents and an increase in legislative incidents. Administrative incidents fell by 58.5% whilst legislative incidents rose by 67.4%.

Table 1: Total non-compliance incidents by type

Type of incident	Incidents Jan to Jun 2020	Incidents Jan to Jun 2021	Change
Administrative	537	223	-58.5%
Legislative	46	77	+67.4%
Total	583	300	

³ Administrative incidents are those where a supplier has failed to comply with a requirement set by Ofgem, whereas legislative incidents are those where a supplier has failed to comply with a requirement in scheme legislation.

- 2.4. **Table 2** shows the breakdown of incidents recorded by scheme. This clearly shows FIT incidents continue to be the most common. As mentioned above, a large proportion of these incidents are in relation to issues on the CFR (161 incidents), although also significant are Levelisation payment issues (25 incidents) and issues with supplier administration detected through audit (22 incidents). A significant fall in the number of CFR incidents recorded accounts for the reduction in the total number of FIT incidents. The FIT incidents for 2020 were abnormally high due to a bulk change exercise to address issues identified during an audit.

Table 2: Total non-compliance incidents by scheme

Scheme	Incidents Jan to Jun 2020	Incidents Jan to Jun 2021	Change
FIT	576	240	-58.3%
RO	4	59	+1,475%
SEG	0	1	N/A
WHD	2	0	-100%
ECO	1	0	-100%

- 2.5. The very significant increase in the volume of incidents on the RO, largely relates to Mutualisation payment issues, which were not a factor during the January to June 2020 period. There were 21 legislative incidents where suppliers failed to make required payments by the deadline, and 24 administrative incidents where suppliers paid money into the wrong bank account. As a comparison, all four RO incidents shown for January to June 2020, were issues with supplier data accuracy when submitting their final supply volumes.

3. Performance Data

Section summary

In this chapter we present the supplier non-compliances recorded by us over the period 1 January 2021 to 30 June 2021. The non-compliances are broken down into categories covering failing to participate, the submission of data, data accuracy, payment issues and audit.

- 3.1. The non-compliances in this chapter are broken down into different categories of non-compliance. The visualisations present information on the spread and proportion of incidents for each area as well as the specific type of issue that has occurred.
- 3.2. It should be noted that on each chart, the number of incidents are shown in brackets.
- 3.3. For further information you can refer to the dataset published alongside this report which is the source for all the data presented.

Failure to Participate

- 3.4. The principal obligation on suppliers is that they participate in the schemes under which they are obligated. One supplier (as shown in **Table 3**) opted to become a voluntary supplier under the SEG scheme but then failed to offer a SEG compliant tariff or publish their SEG status on their website until 12 March 2021, a little over two weeks before the end of SEG scheme year 1. Once a supplier has opted to participate voluntarily in the SEG scheme they are obligated to comply with scheme obligations in exactly the same way as those suppliers mandated to participate.

Table 3: Failure to participate

Scheme	Supplier	Sub-issue
SEG	Symbio Energy Ltd	Failure to participate

Submission of Data

- 3.5. To be able to carry out effective administration of the schemes we deliver, it is important that suppliers provide data to Ofgem in line with relevant deadlines. These requirements are defined in legislation and/or published in advance. We publish guidance and ensure suppliers are reminded of their obligations to help minimise levels of non-compliance.
- 3.6. On the RO scheme suppliers are required to provide Ofgem with estimated electricity supply figures for the preceding obligation period by 1 June, and the final supply figures by 1 July⁴. Failure to submit the information to us by these deadlines results in a non-compliance.
- 3.7. As part of the levelisation process⁵ on the FIT scheme, suppliers are required to submit data to us, as set out in our Feed-in Tariffs: Guidance for Licenced Electricity Suppliers⁶. Data must be submitted on a quarterly and annual basis in accordance with the published FIT levelisation schedule⁷ and failure to meet the relevant deadlines results in a non-compliance being recorded.
- 3.8. Details of data submission non-compliances as recorded on the SPR between January and June 2021 are shown in **Figure 1**.

⁴ [Link to information on RO supplier obligations](https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers): <<https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers>>

⁵ [Link to information on FIT levelisation](https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-levelisation-faqs): <<https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-levelisation-faqs>>

⁶ [Link to FIT: Guidance for Licenced Electricity Suppliers](https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-licensed-electricity-suppliers-version-13): <<https://www.ofgem.gov.uk/publications-and-updates/feed-tariffs-guidance-licensed-electricity-suppliers-version-13>>

⁷ [Link to FIT levelisation schedules](https://www.ofgem.gov.uk/environmental-programmes/fit/electricity-suppliers/fit-licensees): <<https://www.ofgem.gov.uk/environmental-programmes/fit/electricity-suppliers/fit-licensees>>

Figure 1: RO compliance & FIT Levelisation – missed deadlines



N.B. the number of incidents are shown in brackets.

Data Accuracy

- 3.9. In addition to data being submitted on time it is also important that the data we receive from suppliers is accurate. Inaccurate data can have direct financial consequences on other suppliers and ultimately electricity consumers.
- 3.10. As discussed in 3.7 we require data from suppliers for the purpose of FIT levelisation each quarter and annually. Where the data we receive is misreported, an incident is added to the SPR. All such non-compliances added to the SPR between January and June 2021 are shown in **Figure 2**.

Figure 2: FIT levelisation – data accuracy



N.B. the number of incidents are shown in brackets.

3.11. As part of our duties under the FIT scheme we are required to manage and maintain the Central FIT Register (CFR) database. This database is used by FIT licensees to record and update details of FIT installations.

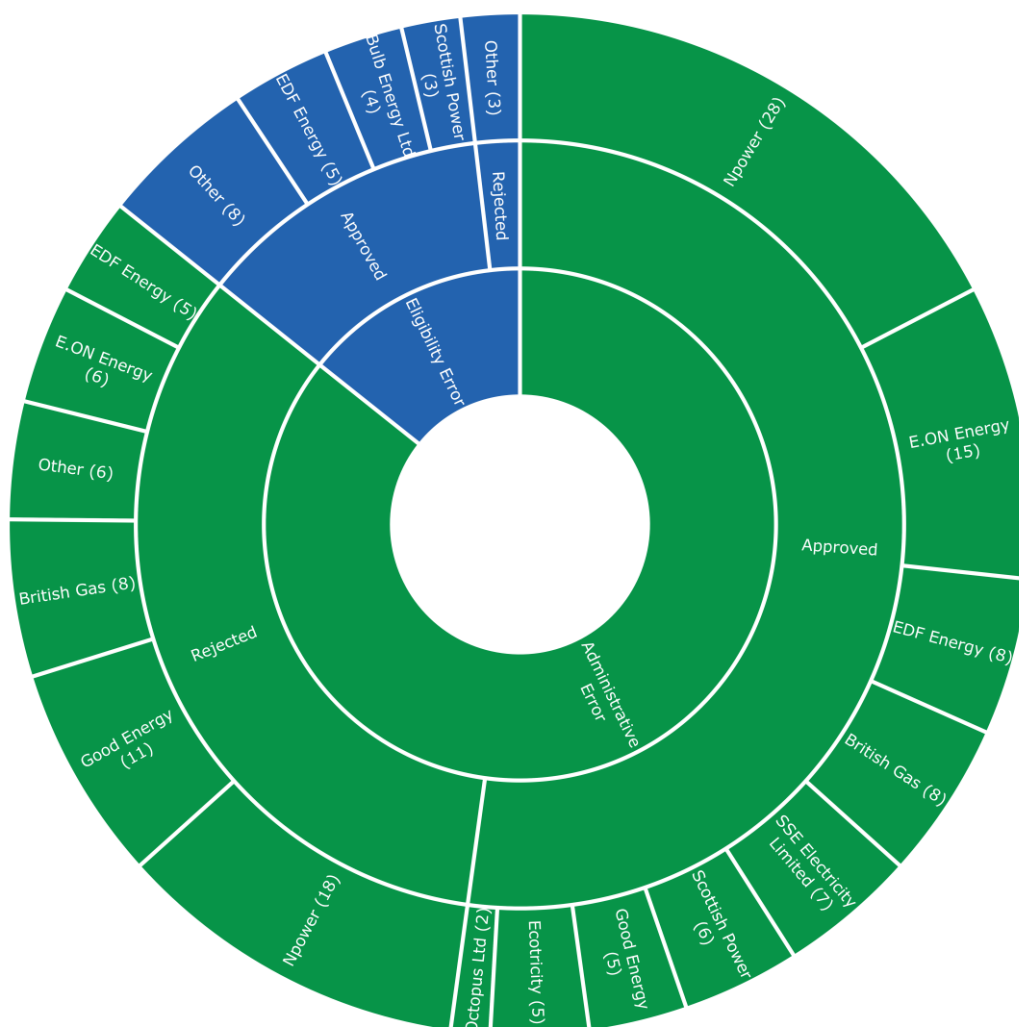
3.12. Non-compliances occur when there is an error in the details entered by a supplier. Details of these non-compliances added to the SPR between January and June 2021 can be seen in **Figure 3** and these are categorised as follows;

- Administrative error approvals – where we approve amendments made by a licensee which corrects an earlier error not affecting an installation's tariff.
- Administrative error rejections – where a licensee submits an amendment or new registration which we must reject due to an error, which does not affect the installation's tariff.

- Eligibility error approvals – where we approve amendments made by a licensee which corrects an earlier error which affects an installation’s tariff.
- Eligibility error rejections – where a licensee submits an amendment or new registration which we must reject due to an error, which effects the installation’s tariff.

3.13. **Table 3** gives further detail on the suppliers included in the ‘Others’ categories shown in **Figure 3**.

Figure 3: FIT - CFR changes



N.B. the number of incidents are shown in brackets.

Table 4: FIT - CFR changes (Other suppliers)

Type	Outcome	Supplier	Incidents
Administrative Error	Rejected	Scottish Power	2
Administrative Error	Rejected	SSE Electricity Limited	2
Administrative Error	Rejected	Bulb Energy Ltd	1
Administrative Error	Rejected	Green Energy Ltd	1
Eligibility Error	Approved	British Gas	2
Eligibility Error	Approved	E.ON Energy	2
Eligibility Error	Approved	SSE Electricity Limited	2
Eligibility Error	Approved	Good Energy	1
Eligibility Error	Approved	Npower	1
Eligibility Error	Rejected	E.ON Energy	1
Eligibility Error	Rejected	ENGIE Power Limited	1
Eligibility Error	Rejected	Npower	1

N.B. The 'SSE Electricity Limited' licence is owned by 'OVO Energy'.

Payments

3.14. Suppliers are required to make payments to us in relation to several the schemes we administer. Where a required payment is late, wrong, missed or there is some other type of issue, these non-compliances are added to the SPR.

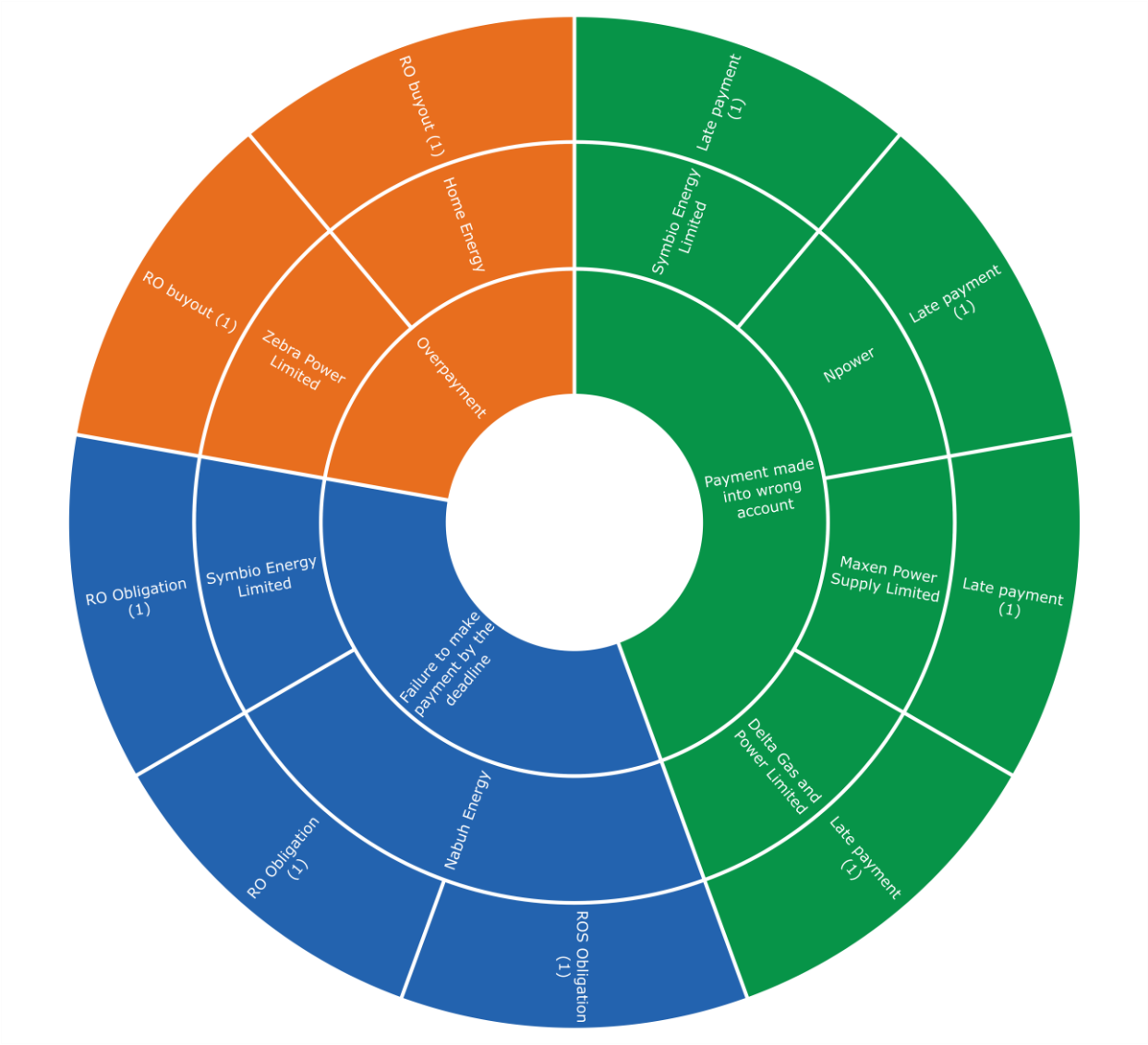
3.15. On the RO scheme, where suppliers make a payment to cover some or all of their obligation, they are required to ensure that this is for the correct amount, it is made into the correct bank account and is received no later than the late payment deadline. We actively engage with suppliers well in advance to ensure that they are informed of their obligations and the relevant deadlines.

3.16. Also on the RO scheme, the mutualisation mechanism is designed to protect against a shortfall in the buy-out fund. When triggered, we inform suppliers of the amount due and the quarterly schedule for making payments to us.⁸

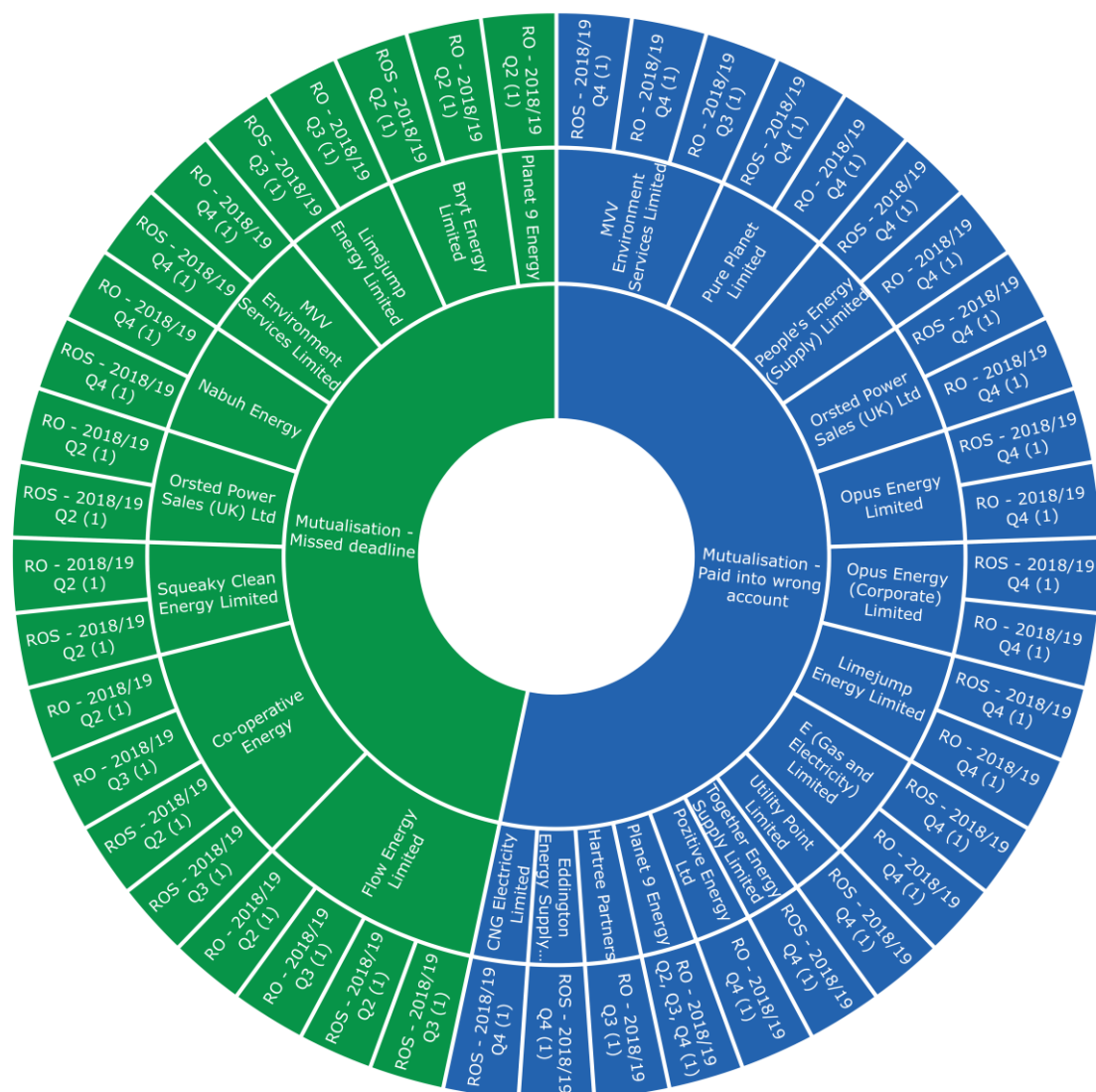
3.17. Details of RO payment non-compliances not related to mutualisation can be found in **Figure 4**, and RO mutualisation payment non-compliances in **Figure 5**.

⁸ [Link to RO: Guidance for suppliers](https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers) for information on mutualisation, the buy-out fund and late payments: <<https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers>>

Figure 4: RO payment non-compliances (not related to mutualisation)



N.B. the number of incidents are shown in brackets.

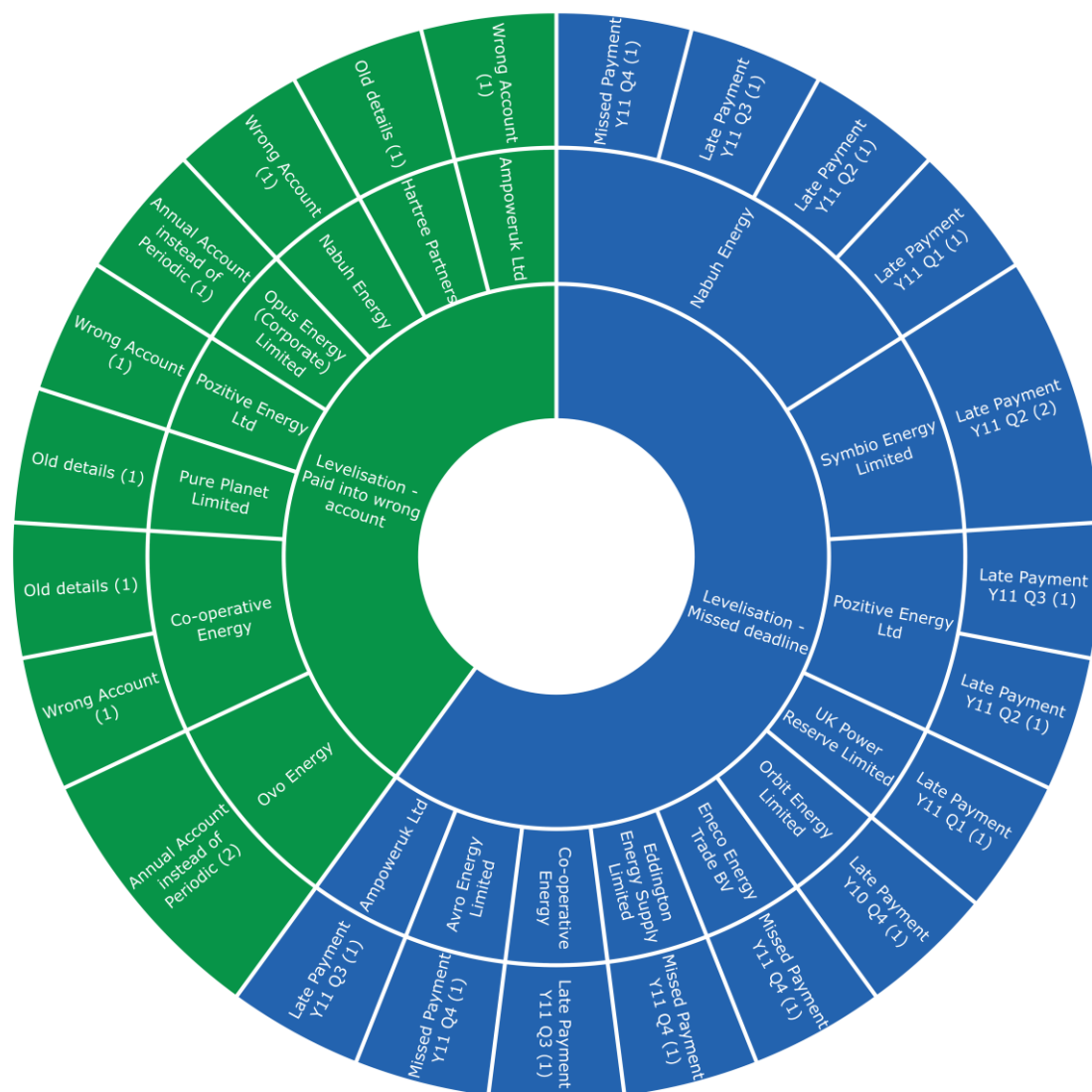
Figure 5: RO mutualisation payment non-compliances

N.B. the number of incidents are shown in brackets.

3.18. On the FIT scheme suppliers are required to make payments in relation to the levelisation process⁹. The levelisation process ensures that the costs of the FIT scheme are distributed fairly across licensed electricity suppliers. Each quarter and on an annual basis we notify suppliers of any payment they are required to make, including how and by when to make payment. Details of payment non-compliances on the FIT scheme can be found in **Figure 6**.

⁹ [Link to information on FIT levelisation](https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-levelisation-faqs): <<https://www.ofgem.gov.uk/publications-and-updates/feed-tariff-fit-levelisation-faqs>>

Figure 6: FIT payment non-compliances



N.B. the number of incidents are shown in brackets.

Audit

3.19. Ofgem conducts audits of obligated suppliers each year to monitor compliance with the relevant scheme rules. The incidents shown in **Figure 6** are those identified because of the audit programme. All incidents added to the SPR during this period relate to the FIT scheme.

3.20. Please note that only a certain number of suppliers are selected for audit each year. As such, incidents are only reported from this sample of suppliers and not all suppliers participating on the relevant schemes.

Figure 7: FIT audit incidents



N.B. the number of incidents are shown in brackets.

3.21. When non-compliances have been identified following an audit, where appropriate we work with suppliers to help put in place mitigation measures. Where mitigation measures are agreed, we setup a monitoring programme to ensure that they are correctly implemented and through this we expect the risk of further non-compliance to be reduced.

Feedback

We value your feedback on this report. Please contact us at SchemesReportingFeedback@ofgem.gov.uk with any comments or suggestions.