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By email to: [ebssconsultation@ofgem.gov.uk](mailto:ebssconsultation@ofgem.gov.uk)

Dear Maureen

## **Energy Bills Support Scheme (EBSS) Ofgem Statutory Consultation - Suppliers and Networks**

This is Centrica's consolidated response to Ofgem's Energy Bills Support Scheme Statutory Consultation – Suppliers and Ofgem's Energy Bills Support Scheme Statutory Consultation – Networks, both issued on 29 April.

This response is not confidential and may be published on your website.

We have set out our answers to the questions raised in both the Suppliers and Networks Statutory Consultations below.

### **Ofgem Energy Bills Support Scheme Statutory Consultation – Suppliers**

#### **1. Whether you agree in principle with the introduction of new Licence Conditions to comply with the government direction, and your reasoning**

Yes, we agree in principle for new Licence Conditions to be introduced, instructing suppliers to comply with the government direction. However, we do have some comments as set out below.

The proposed wording of Supply Licence Condition (SLC) 25.5(c), as currently drafted, is reintroducing a highly prescriptive approach for suppliers, so we would suggest the following amends in italics, which is better aligned to the policy intent of the BEIS EBSS consultation:

(c) a requirement to display or provide information relating to the government Energy Bill Support Scheme *to Domestic Customers* ~~on or with a Bill or statement of account; and~~

There are still some unanswered questions from the BEIS EBSS consultation (e.g., reprofiling of direct debits over a six-month period, how bad debt is defined and treated etc.), that may impact the Licence wording. As Ofgem is consulting on the draft wording for the SLCs, while BEIS is still consulting on the scheme structure and no draft wording for the government direction is available, we cannot fully confirm that we agree with the proposed Licence Conditions.

SLC 25E.2 includes a requirement of reasonableness; however, this is not included within SLC 25E.3. The current drafting of SLC25E.3 allows Ofgem or the Secretary of State to instruct suppliers to provide information in a particular form, medium or by a particular date etc. The requirements in SLC 25E.3 should be subject to a requirement of reasonableness, in line with the

requirements of SLC25E.2, which will allow for any information to be provided in a reasonable format and reasonable timeframe.

## 2. Whether there may be any unintended consequences from the implementation of the scheme in this way

See response to question 1. In principle, we do not consider there will be any unintended consequences from the introduction of new Licence Conditions to comply with the government direction. However, it must be noted that until the final decision on the government direction is published, it is difficult to fully comment.

### **Ofgem Energy Bills Support Scheme Statutory Consultation – Networks**

We are broadly happy with the Statutory Consultation – Networks, however we acknowledge that this is primarily for the Networks to respond to.

However, we do have one query over the proposed definition of the EBSS term being added to the special licence conditions (which increases the DNOs allowed revenue for charge setting purposes):

*'EBSS<sub>t</sub> - means payments made by the licensee under an Energy Bills Support Scheme Direction in accordance with Standard Condition 38D (Energy Bills Support Scheme) in Regulatory Year t'*

DNOs will be paying quarterly in arrears, so by defining the term as payments made (rather than costs incurred), this could be interpreted as meaning the first-year levy will only recover £30 ( $\frac{3}{4}$  of £40) instead of £40, as the final quarter amount for Jan-24 – Mar-24 would be paid in Apr-24 (in Regulatory Year t+1).

We would suggest that the definition is amended to reflect costs incurred, rather than payments made.

Please do not hesitate to contact me if you would like to discuss any aspect of our response further.

Your sincerely



Nigel Howard  
**Head of Consumer Regulation**  
**Centrica Legal & Regulatory**