



Making a positive difference
for energy consumers

Ecotricity

Email:
retailpolicyinterventions@ofgem.gov.uk

Date: 16 August 2022

Dear Asif Rehmanwala,

Written statement on Ecotricity's compliance with SLC 22B - Requirement to make all tariffs available to new and existing customers

I am writing to you to set out Ofgem's position in respect of Ecotricity's compliance with SLC 22B.

This is a written statement of understanding between Ofgem and Ecotricity and applies strictly within the caveats that are set out in this document. The purpose of this statement is to detail our expectations of Ecotricity in respect of our position and give it comfort that it can rely upon the regulatory relief provided to it as a result of this statement.

SLC 22B – Requirement to make all tariffs available to new and existing customers

SLC 22B states that "*the licensee must ensure that all its Tariffs are available to, and are capable of being entered into by, both new and existing Domestic Customers*"¹. Ofgem introduced this measure in April 2022 as a short-term intervention to address risks to consumers from ongoing wholesale market volatility.

Ecotricity's tariffs

Green Electricity and Green Gas: SVTs with derogation from the price cap.

Green Electricity + EV: Another derogated green electricity tariff available to customers with Electric Vehicles.

Summer Fixed Electricity & Summer Fixed Gas (with Winter and Spring variants no longer available): 12 month fixed tariffs that Ecotricity set on a seasonal basis

Green Electricity PAYG and Green Gas PAYG: Price capped tariffs for customers with pre payment meters.

Out of Contract (on receipt of bill & direct debit variants): Price capped SVTs which are offered to deemed customers and/or customers coming to the end of a Fixed tariff, who do not accept Ecotricity's Green tariffs.

Staff Tariff: A slightly discounted rate similar to Out of Contract rates which is offered to Ecotricity employees.

¹ [Elec SLC Modified Decision Notice - All tariffs available to new and existing customers.pdf](#)

Ecotricity also have some variations of these tariffs depending on customer meter type (Economy 7 variations etc).

Interactions with green tariffs and regulatory considerations

In practice, SLC 22B means that suppliers are required to offer their default price capped standard variable tariff (SVT) to both new and existing customers. For a supplier such as Ecotricity which has received a derogation from the price cap for their green SVTs, we are aware that this may put the supplier in a potentially concerning situation should they be required to make their default tariff available to all customers. In effect it could threaten the viability of its continued participation in the domestic retail market as a green supplier, resulting in detriment to Ecotricity's customers and the wider market for truly green tariff offerings.

Additionally, Ofgem considers that Ecotricity should not receive a derogation from SLC 22B to allow it to offer its default price capped SVTs to a small subset of existing customers as this would conflict with existing licence arrangements. Furthermore, a derogation from SLC 22B would not be sufficient in enabling Ecotricity to continue offering its default capped SVT to a restricted customer base.

However, notwithstanding supplier obligations to comply with existing licence conditions, we appreciate that these were not intended to prevent suppliers with derogated green tariffs from operating in the market. We consider that green tariffs are good for consumers, particularly as we transition towards net zero and away from traditional finite sources of fuel.

Ofgem's final position

Given the temporary nature of SLC 22B and following our conversations with Ecotricity on this particular issue, we hereby acknowledge and confirm that Ecotricity can offer its default price capped SVT only to its existing customers coming to the end of their fixed term contracts and who haven't elected to move Ecotricity's green SVT, a new FTC or another supplier, or who are going through a Change of Tenancy process.

This would be applicable for the duration that SLC 22B is in force (note, SLC 22B is due to expire at 23:59 on 30 September 2022, or such later date, no later than 31 March 2023, as specified by the Authority publishing a statement in Writing) without facing any enforcement action for doing so.

We welcome Ecotricity's engagement on this matter and request that any change in circumstances which affect the provisions of this written statement are communicated promptly to the policy team at Ofgem.

Yours Sincerely



Neil Lawrence

Director of Retail