

ofgem

Making a positive difference
for energy consumers



Supplier Performance Report

1 January 2022 to 30 June 2022

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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. Each report covers a six month period which provides a regular view of supplier performance for stakeholders.

The schemes covered are:

- Energy Company Obligation (ECO)
- Feed-in Tariffs (FIT)
- Fuel Mix Disclosure (FMD)
- Green Gas Levy (GGL)
- Offtaker of Last Resort (OLR)
- Renewable Energy Guarantees of Origin/Guarantees of Origin (REGO/GoO)
- Renewables Obligation (RO)
- Smart Export Guarantee (SEG)
- Warm Home Discount (WHD)

1.2. The report does not reflect a supplier's customer service, wider environmental performance, or its energy mix. It records the number and type 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.

1.4. The data used in this document has been published alongside the report on our website. Additionally, more information about the schemes, and suppliers' obligations can also be found on our website¹.

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

Why are we publishing this data?

- 1.5. Ofgem takes supplier compliance extremely seriously. 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 £8.3 billion a year.
- 1.6. Incidents of non-compliance can increase the costs of delivering and administering the schemes, which can be passed on to consumers through energy bills.
- 1.7. 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?

- 1.8. We work with the suppliers featured in this report to help them to improve their performance, including improving our guidance where necessary. Over time, we expect suppliers to improve and deliver the schemes more efficiently.
- 1.9. However, if there are repeat occurrences and suppliers do not improve, or there are serious non-compliances such as a failure to make a scheme obligation payment, we will consider taking stronger action. This can include referring cases to our Enforcement team for consideration.
- 1.10. We expect suppliers to review this report and take the findings seriously. Corporate boards, investors and creditors may also carefully consider the information in this report, and may use it as an indication of a supplier's ability to manage risk, appropriately govern itself and deliver on its obligations more generally.

Which suppliers are included?

- 1.11. Suppliers who have had a non-compliance incident recorded between 1 January 2022 and 30 June 2022 are shown in chapter three (**Details of Non-Compliances**). Please note that in some instances, due to the work required to confirm a non-compliance it may have occurred sometime before it is added to the SPR database.
- 1.12. 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.

2. Report Summary

Section summary

Overall, 343 incidents² were added to the SPR database between 1 January 2022 and 30 June 2022. Of these the most common type were issues on the Central FIT Register (CFR), accounting for 76.7% of the total. The second and third most common were issues relating to FIT Biennial Meter Verification (12.5%) and FIT levelisation (5.3%).

- 2.1. It should be noted that non-compliance incidents tend to occur around certain compliance activities and deadlines which are not uniformly spread across the year. As this report covers the six month period January to June 2022, when comparisons are made they are made with the equivalent period in 2021.
- 2.2. **Table 1** shows that there were a total of 277 administrative incidents³ which represents 80.8% of all incidents recorded over the period. Amongst these the most common types were administrative issues on the CFR and issues with FIT Biennial Meter Verification - 78.0% and 15.5% of administrative incidents respectively.
- 2.3. Additionally, there were 66 legislative incidents⁴ reported representing 19.2% of the total. CFR non-compliances form the majority of these at 71.2%. Also significant were missed payment deadlines in relation to RO mutualisation, which accounted for 15.2% of all legislative incidents.
- 2.4. In comparison to the equivalent period in 2021 there has been a 24.2% increase in administrative incidents, and a 14.3% fall in legislative incidents. Due to the higher proportion of administrative incidents, the overall number of incidents recorded rose by 14.3%.

² When viewing the published dataset please note that one row in the dataset does not necessarily equal one incident. The number of incidents for each row can be found in column J.

³ Administrative incidents are those where a supplier has failed to comply with a requirement set by Ofgem.

⁴ Legislative incidents are those where a supplier has failed to comply with a requirement in scheme legislation.

Table 1: Total non-compliance incidents by type

Type of incident	Incidents Jan to Jun 2021	Incidents Jan to Jun 2022	Change
Administrative	223	277	+24.2%
Legislative	77	66	-14.3%
Total	300	343	+14.3%

2.5. **Table 2** shows the breakdown of incidents recorded by scheme. FIT incidents increased significantly and continue to be the most common. This increase can be attributed to a rise in CFR incidents which are primarily driven by data corrections carried out by the FIT Licensees. Overall the three most common types of incident on FIT were related to the:

- CFR (263 incidents)
- biennial meter verification (43 incidents)
- levelisation (18 incidents)

2.6. On the RO scheme there were 13 incidents recorded, all of which were for mutualisation issues in relation to the 2019-20 scheme year. Ten incidents were for missed payment deadlines and three for payments being made into the wrong bank account. The higher number of RO incidents over the equivalent period in 2021 were largely due to a number of suppliers failing to update their systems to reflect a change in our account details, and a higher number of suppliers missing payment deadlines. Many of these suppliers have subsequently exited the market due to financial difficulties.

Table 2: Total non-compliance incidents by scheme

Scheme	Incidents Jan to Jun 2021	Incidents Jan to Jun 2022	Change
FIT	240	324	+35.0%
RO	59	13	-78.0%
GGL	0	5	N/A
WHD	0	1	N/A
SEG	1	0	-100%
Total	300	343	+14.3%

3. Details of Non-Compliances

Section summary

In this chapter we present the supplier non-compliances recorded by us over the period 1 January 2022 to 30 June 2022. The non-compliances are broken down into categories covering the submission of data, data accuracy, payment issues, biennial meter verification, and credit cover.

- 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 is shown in brackets. For further information you can refer to the dataset published alongside this report which is the source for all the data presented.

Submission of Data

- 3.3. 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. Suppliers are obligated to provide data which is accurate, timely and complete, and may face additional consequences where this is not the case. We publish guidance and ensure suppliers are reminded of their obligations to help minimise levels of non-compliance.
- 3.4. As part of the levelisation process⁵ on the FIT scheme, suppliers are required to submit data to us on a quarterly and annual basis in accordance with the published FIT levelisation schedule⁶. Failure to meet the relevant deadlines results in a non-compliance being recorded.

⁵ [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 [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>>

- 3.5. On the Warm Home Discount (WHD) scheme, obligated suppliers must at the end of each scheme year submit a report to us detailing if they have complied with their WHD obligations. Failure to submit the report by the deadline results in a non-compliance being recorded on the SPR.
- 3.6. Details of data submission non-compliances as recorded on the SPR database between January and June 2022 are shown in **Table 3**.

Table 3: Missed submission deadlines

Scheme	Supplier	Detail	Incidents
FIT	Affect Energy Limited	Late submission of data for periodic levelisation Y12 Q4	1
WHD	Utility Warehouse	Late submission of the End of Year report for SY11	1

Data Accuracy

- 3.7. It is also important that the data suppliers use and the data we receive from them is accurate, timely and complete. Inaccurate, delayed or incomplete data can have direct financial consequences on scheme participants, other suppliers and ultimately electricity consumers.
- 3.8. As discussed in 3.4 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 database. All such non-compliances added to the SPR between January and June 2022 are shown in **Figure 1**.

Figure 1: FIT levelisation – data accuracy

This chart shows that Octopus Energy had the most levelisation data accuracy non-compliances with a total of five. All other suppliers represented on the chart have a single non-compliance each.



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

3.9. 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.

3.10. Non-compliances occur when there is an error in the details entered by a supplier.

These non-compliances 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 affects the installation’s tariff.
- **Application proceeded** – ad-hoc situations where licensee errors in handling an application required Ofgem intervention to resolve.

3.11. Details of non-compliances due to administrative error that were added to the SPR between January and June 2022 can be seen in **Figure 2**. **Table 4** gives further detail on the suppliers included in the ‘Others’ categories shown in **Figure 2**.

Figure 2: FIT – Administrative error CFR changes

The chart shows that Scottish Power had the most incidents with 93 requests approved and 3 rejected. Also significant were E.ON with 49 approved and 21 rejected and British Gas with 16 approved and 5 rejected.



N.B.⁽¹⁾ the number of incidents is shown in brackets.

N.B.⁽²⁾ The 'SSE Electricity Limited' licence is owned by 'OVO Energy'.

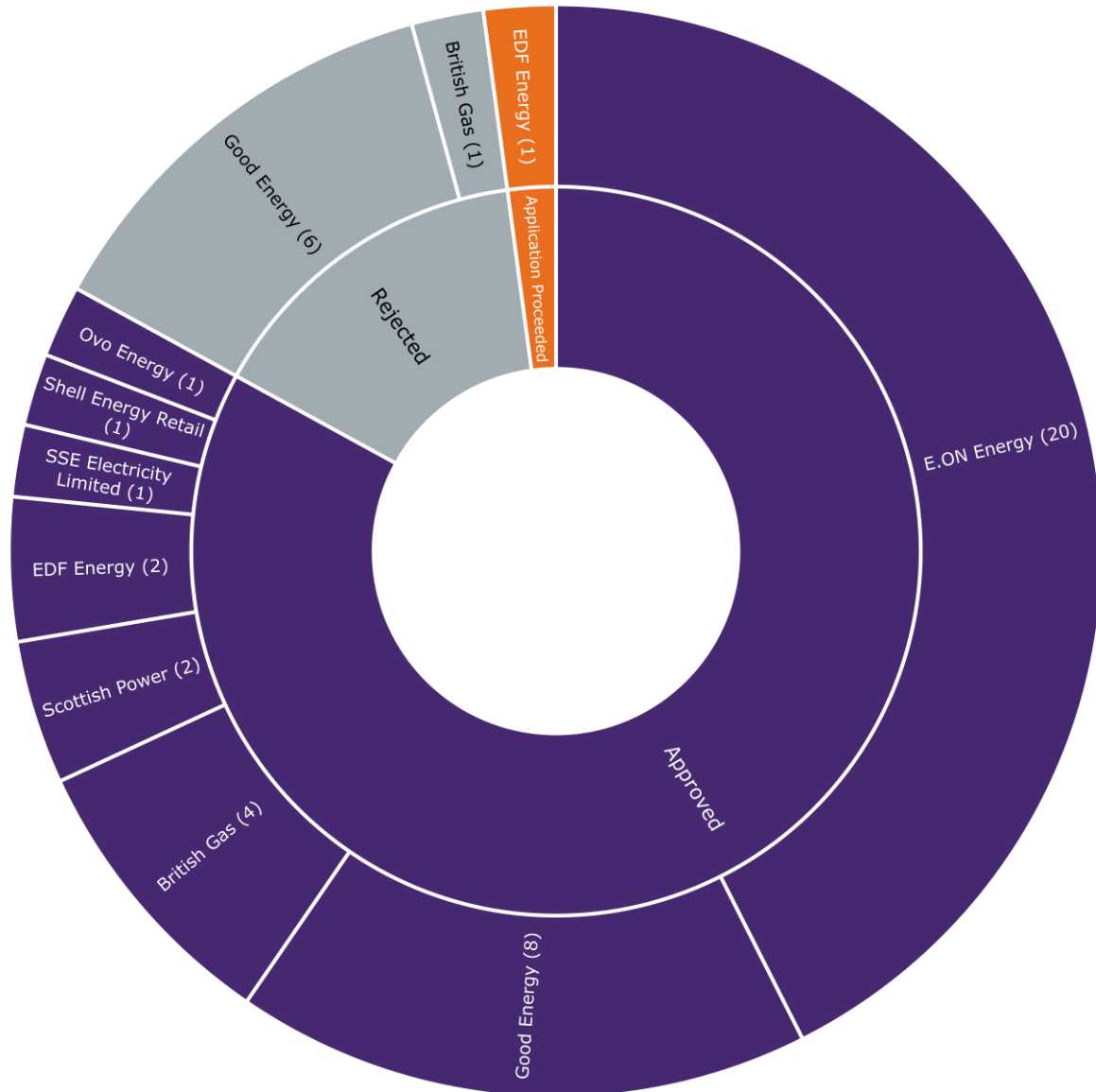
Table 4: FIT – Administrative error CFR changes (other non-compliant suppliers)

Type	Outcome	Supplier	Incidents
Administrative Error	Approved	Octopus Energy Limited	2
Administrative Error	Approved	Utility Warehouse	1
Administrative Error	Rejected	ENGIE Power Limited	1
Administrative Error	Rejected	Octopus Energy Limited	1
Administrative Error	Rejected	Shell Energy Retail	1

3.12. Details of the non-compliances due to eligibility errors can be seen in **Figure 3**.

Figure 3: FIT – Eligibility error CFR changes

The chart shows that E.ON had the most incidents with 20 requests approved. The supplier with the second highest number of incidents was Good Energy with 8 approved and 6 rejected and British Gas with 4 approved and 1 rejected. EDF had one incident where the application was proceeded.



N.B.⁽¹⁾ The number of incidents is shown in brackets.

N.B.⁽²⁾ The 'SSE Electricity Limited' licence is owned by 'OVO Energy'.

Payments

3.13. Suppliers are required to make payments to us in relation to several of the schemes we administer. Information on the payments required from suppliers that resulted in a non-compliance between January and June 2022 are shown below:

- On the RO scheme, if mutualisation is triggered suppliers are required to make payments to protect against a shortfall in the buy-out fund.⁷
- On the FIT scheme suppliers are required to make payments in relation to the levelisation process⁸. The levelisation process ensures that the costs of the FIT scheme are distributed fairly across licensed electricity suppliers.
- On the GGL scheme obligated gas suppliers are required to make quarterly levy payments which are used to fund payments to biomethane producers on the Green Gas Support Scheme⁹.

3.14. We ensure suppliers are notified of how and when to make payments to us. 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. Details of payment non-compliances between January and June 2022 can be seen in **Figure 4.**

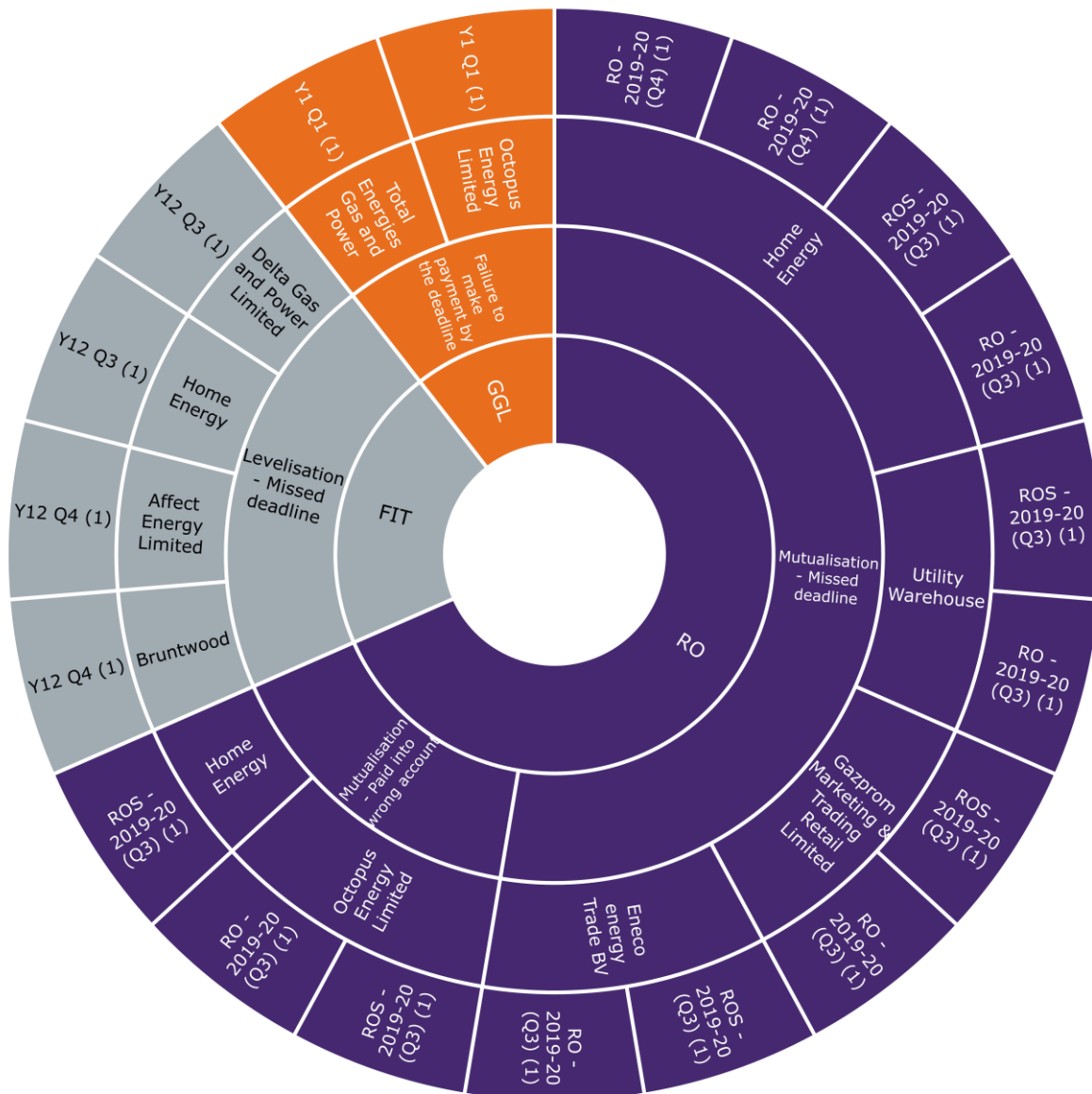
⁷ [RO: Guidance for suppliers](https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers) for information on mutualisation, the buy-out fund, and late payments: <<https://www.ofgem.gov.uk/publications-and-updates/renewables-obligation-guidance-suppliers>>

⁸ [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>>

⁹ [Information on the GGSS](https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy): <<https://www.ofgem.gov.uk/environmental-and-social-schemes/green-gas-support-scheme-and-green-gas-levy>>

Figure 4: Payment non-compliances

The chart shows that the majority of payment non-compliances occurred in relation to missed deadlines for RO mutualisation (10). There were also three incidents of RO mutualisation payments being made into the wrong bank account, four levelisation payment deadlines were missed and two GGL levy payments were not made by the required deadline.



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

Biennial Meter Verification

- 3.16. FIT Licensees are required to verify generation and/or export meter readings at least once every two years. This is monitored by Ofgem. Where we have identified issues with this process the incident is added to the SPR. For more information on biennial meter verification (BMV) please refer to our Feed-in Tariffs: Guidance for Licensed Electricity Suppliers¹⁰.
- 3.17. Details of incidents added to the SPR in relation to BMV can be seen in **Figure 5**.
- 3.18. It should be noted that some incidents represented in the chart below relate to multiple installations. For example the Good Energy incidents affected a total of 2,722 installations, E.ON (574) and British Gas (64). In total, 3,398 installations were affected.

¹⁰ [FIT: Guidance for suppliers](https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers): <https://www.ofgem.gov.uk/publications/feed-tariffs-guidance-licensed-electricity-suppliers>

Figure 5: BMV incidents

This chart shows that E.ON recorded the most BMV incidents (9). Scottish Power (7), Good Energy (6) and British Gas (6) were also significant contributors to the total of 43 incidents recorded.



N.B.⁽¹⁾ The number of incidents is shown in brackets.

N.B.⁽²⁾ The 'SSE Electricity Limited' licence is owned by 'OVO Energy'.

Credit Cover

- 3.19. Each quarter on the GGL scheme, obligated gas suppliers are required to lodge credit cover¹¹. This can be in the form of a cash payment made to us, a suitable letter of credit or a combination of these. This is designed to ensure that there are sufficient funds to cover all periodic support payments, thereby reducing the likelihood of a mutualisation event being triggered.
- 3.20. Where a supplier fails to lodge credit cover by the deadline, or if an error is made with the credit cover when lodged, this is recorded as a non-compliance of the SPR database. Details of these non-compliances added to the SPR between January and June 2022 can be seen in **Table 5**.

Table 5: GGL credit cover non-compliances

Supplier	Sub-issue	Period	Type	Incidents
Pozitive Energy Ltd	Failure to meet obligation by deadline	Y1 Q1	Legislative	1
Home Energy	Failure to meet obligation by deadline	Y1 Q1	Legislative	1
Business Power and Gas Limited	Payment made into wrong account	Y1 Q2	Administrative	1

Feedback

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

¹¹ Further detail on the operation of the GGL scheme including credit cover can be found in our [GGL Guidance](https://www.ofgem.gov.uk/publications/green-gas-levy-guidance): <<https://www.ofgem.gov.uk/publications/green-gas-levy-guidance>>