

# Top-up, Standby, Exempt Supply Services and PPMIPs

Section D workgroup  
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# What is Section D?

- Has effect in licence where
  - Sec of State provided for it to have effect (by scheme under Schedule 7 of Utilities Act 2000)
  - Authority direction (with licensee consent)
- Supply service area
- BGT and ex- PES suppliers
- Size, historic position and support competition

# High-level licence requirements

- Prepare statements in form approved by Authority
- Restriction on charges
- Review statements annually and send copies to any person that asks (costs determined by Authority)
- Non-discrimination requirements in provision of services
- Not restrict, distort and prevent competition in setting charges
- Offer to enter into agreement (inc. start date and charges)

## High-level licence requirements - cont.

- Authority settle disputes
- Authority relieve obligation to offer PPMIP services
- Supplier submit “dissapplication request”
- 12 months notice (PPMIPs 18 month notice)
- Authority can turn down dissapplication request

# Top-up

- means the supply or sale of electricity on a continuing or regular basis:
  - to an authorised electricity operator to make good any shortfall in the availability of electricity to that operator for the purposes of its supply of electricity to persons seeking such supply; or
  - to a customer of the licensee to make good any shortfall between the customer's total supply requirements and that met either by its own generation or by electricity supplied by an electricity supplier other than the licensee

# Standby

- means the periodic or intermittent supply or sale of electricity:
  - to an authorised electricity operator to make good any shortfall in the availability of electricity to that operator for the purposes of its supply of electricity to persons seeking such supply; or
  - to a customer of the licensee to make good any shortfall between the customer's total supply requirements and that met either by its own generation or by electricity supplied by an electricity supplier other than the licensee

# Top-up and standby - Discussion

- Not required for licensed suppliers (wholesale arrangements)
- Customers able to secure supply on a contractual basis
- Distributed generation issues?
- Why retain obligation on ex-PES suppliers only?

# Exempt supply services

- must include:
  - the making, maintenance and termination by the licensee of registrations under and in accordance with the Master Registration Agreement (MRA) and exchange of associated information between the licensee and the exempt supplier,
  - appointment of meter service provider and provision of data retrieval, data processing and data aggregation services,
  - apportionment and settlement of registration charges,
  - reimbursement by the exempt supplier of registration charges,
  - provision of reasonable security or collateral by the exempt supplier to the licensee for performance of obligations under this agreement, and
  - arrangements for varying the agreement.

# Exempt supply services - Discussion

- Service for exempt suppliers only
- For sites on a licensed DNO only? (other circumstances?)
- Supply excess generation (other reasons?)
- Secure arrangements through other route
  - Become licensed
  - Commercial agreement with licensed supplier
  
- Distributed generation question?
  
- Why retain obligation on ex-PES suppliers only?

## PPMIP services

- must provide access to a system which supports the supply of electricity to domestic customers with prepayment meters. Such a system should provide as may be reasonably appropriate for prepayment meters which require tokens, cards or keys for their operation and comprise facilities for:
  - (where requested) the purchase by electricity suppliers and/or encoding with data of tokens, cards or keys,
  - the use by domestic customers of local outlets for the purchase of tokens and the crediting with value of cards or keys,
  - the making of payments to electricity suppliers in respect of sums received by the licensee on behalf of domestic customers, and
  - where relevant, the transfer of domestic customer data to electricity suppliers

## PPMIP - Discussion

- Historically - 14 PPMIPs
- BGT contract with 15<sup>th</sup> PPMIP (others?)
- PPMIP provides infrastructure to support PPM on wall
- Change of supplier
  - Expensive to duplicate PPMIP functions
  - Not want to exchange meter
- Suppliers need access to PPMIP to support debt and disconnection (PPM must be offered)
- PPMIP offered on unrestricted and non-discriminatory manner
- NB: No licence obligations in gas market!

## PPMIP - Options

- 1) Competition Act
- 2) Set as general obligation in Section B
- 3) Retain in Section D

# PPMIP – Ofgem initial view

- Competition Act powers not sufficient
  - Test of dominance for small suppliers
  - Clear signal to suppliers on access
- Set as general obligation in Section B
  - Where supplier provides or contracts for PPMIP services then not restrict, distort or prevent competition.
  - Apply to all suppliers
  - Not require obligation to provide service
  - Ofgem retain obligation to determine disputes?

# Way Forward



A large version of the ofgem logo, with the word "ofgem" in white lowercase letters inside a rounded orange rectangle. The background of the slide features a blurred image of electrical outlets and a person sitting at a desk with a laptop.

*ofgem*

Promoting choice and value for all  
gas and electricity customers