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**The Renewable Energy Company (Ecotricity) Consultation Response to
Improving Reporting Transparency of Large Energy Suppliers**

Dear Stefan Bojanowski,

Ecotricity is a renewable energy generator and supplier with over 60,000 customer accounts, 53 windmills across the UK and the country's first large scale solar power plant.

We welcome the opportunity to respond to Ofgem's latest proposals to improve reporting transparency for large suppliers. We previously commented on the January and May consultations on this issue. We are pleased that transparency is being addressed as it is an important factor with regards to improving competition in the energy market; however as noted in our additional comments section, we do not believe that addressing only segmental statements will achieve this.

Ecotricity's response is divided into two parts:

- A) Answers to the questions outlined in the consultation; and
- B) Our additional comments.

A) Answers to questions outlined in the consultation paper

Question 1: Do respondents agree with our proposal to require reconciliation to only revenues and profits, but not costs, published in Group accounts?

Ecotricity disagree with this proposal. We believe that if costs are not reported then there is very little value in the proposals. Costs move profit around the groups and enable

companies to claim their supply customers that are supplying with very low margins, whilst making large profits at the group level. This fuels customer mistrust in the industry.

Question 2: *Do respondents agree that companies should describe how Feed in Tariff costs and Renewable Obligation costs are allocated across the segments?*

We agree with this proposal; we would take it further and require that other third party costs, such as network costs, should also be specified.

B) **Additional views**

As stated previously, it is our position that proposals aimed at improving segmental statements, will not improve transparency by any significant level on their own. We therefore propose a mechanism of anonymous trade reporting. The volume, value and tenor of all energy trades, by all energy companies should be reported to a central private data repository. Trades between generation assets as well as trades between retail and wholesale departments of the same business should all be included. This anonymous data should be made available to all industry parties. Not only would this improve transparency in accounting, it would also enable the level of liquidity in the market to be better measured.

Ecotricity welcomes the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this letter. Please contact Emma Cook on 01453 769301 or emma.cook@ecotricity.co.uk.

Yours sincerely,



Emma Cook
Head of Regulation, Compliance & Projects