

Barry Coughlan
Retail Markets
Ofgem
9 Millbank
London
SW1P 3GE

Ecotricity Group Ltd
Unicorn House
Russell Street
Stroud
GL5 3AX

25 July 2014
Ecotricity Reference No.: 128
holly.tomlinson@ecotricity.co.uk
01453 769301

**The Renewable Energy Company Ltd (Ecotricity) Response to
Ofgem statutory consultation on modification of relevant licence conditions to
enable the delivery of the Government Electricity Rebate**

Dear Barry Coughlan,

Ecotricity is an independent renewable energy supplier and generator with over 130,000 customer accounts and more than 61.5MW of renewable capacity. We pride ourselves on our award winning customer service, which is recognised and commented upon by customers and third party organisations alike.

As a principle we support the rebate, indeed we believe that the Government should go further and fund all environmental and social programmes from general taxation. Not only would this be a fairer and more progressive way of funding these public goods, it would also reduce barriers to entry for small independent suppliers.

With respect to the rebate itself, we are broadly supportive of Ofgem's position.

New SLC 25D

We agree that the introduction of a new licence condition to ensure that suppliers comply with the Secretary of State's Direction is appropriate. We support the drafting which provides that the Secretary of State be subject to a requirement to consult with relevant stakeholders before issuing a Direction and that a Direction can only be issued for the purposes of this rebate and can apply to only 2 annual rebates of £12 each.

We note that the drafting of the licence condition leaves the details of how the rebate will be delivered to the Direction and that the 5 year sunset clause is intended to allow for Ofgem administration and enforcement, although we question whether 5 years is necessary for this purpose.

Unicorn House Russell Street Stroud Gloucestershire GL5 3AX

tel 01453 756111 fax 01453 756222 info@ecotricity.co.uk www.ecotricity.co.uk

The Renewable Energy Company Limited - Axiom House Station Road Stroud GL5 3AP - Registered in Cardiff No: 3043412

We also agree with Ofgem that should Government consider it appropriate to continue funding environmental schemes from general taxation beyond 2015 that an enduring mechanism be established for such provision.

Bills and administration

We support Ofgem's policy intent that any additional formatting on bills should be minimal however since licence condition changes do not provide for this detail we are reliant upon the Direction supporting such policy intent. We suggest that Ofgem update the licence conditions to reflect provide for such minimal changes.

We note that the rebate is considered a permissible discount under SLC22B.29 but that since the rebate is payable to all customers regardless of their tariff it should not be included in calculations of TCR and a customer's personal projection. As such we also assume that the rebate is not to be included in any TILs, although Ofgem's confirmation of this would be appreciated.

We appreciate Ofgem's clarity regarding treatment of the definition of a customer. We agree with the principle that a customer with multiple meters who only receives one bill and who is treated by the supplier as a single domestic customer shall only receive a single rebate. On the other hand, when an individual customer has multiple meters; whether at the same building or in different houses; and those meters are all energised and billed separately, the customer should receive a separate rebate for every bill. This will ensure that the rebates delivered reflect the number of standing charges through which customers fund Government programmes.

Provision of information to Secretary of State

We note the proposal that licensees be required to provide information requested by SoS. Whilst we agree in principle with this requirement we would caution that it only be used when necessary and that adequate response times be allowed. We consider a minimum of 4 weeks be allowed to turnaround such information requests.

Conclusion

We agree with the introduction of a new licence condition for the delivery of the electricity rebate and the majority of the drafting proposed for this purpose.

We acknowledge and appreciate Ofgem's confirmation of its policy intent that any formatting changes required in including the rebate on bills should be minimal. We also appreciate guidance in respect of treatment of the rebate for RMR purposes and request confirmation that details of the rebate discount do not need to be included in TILs.

Ecotricity welcomes -the opportunity to respond and hope you take our comments on board. We also welcome any further contact in response to this submission. Please contact Holly Tomlinson on 01453 769301 or holly.tomlinson@ecotricity.co.uk.

Yours sincerely,



Holly Tomlinson
Head of Regulation, Compliance & Projects (Acting)