

## ESTA RESPONSE TO:



### Proposals for regulating non-domestic Third Party Intermediaries (TPIs)

To: Ofgem – Retail Markets Policy

Opens: 14.02.2014

Closes: 09.05.2014

Contact: Robin Hale, Director  
ESTA Energy Services and Technology Association  
PO Box 77  
Benfleet  
Essex SS7 5EX  
T: 01268 569010  
F: 01268 569737  
E: [robin@esta.org.uk](mailto:robin@esta.org.uk)  
W: [www.esta.org.uk](http://www.esta.org.uk)

#### **ESTA Energy Services and Technology Association**

ESTA is the UK Industry Body representing suppliers of products, systems and services for Energy Management. The 120 members include energy consultants, aM&T providers, controls manufacturers through to full Energy Services/Contract Energy Management mainly working in the I&C sector.

ESTA is engaged with UK Government policies on Energy and Climate Change, The Green Deal, Energy Performance of Building Directive, Part L Building Regulations, Display Energy Certificates, Carbon Reduction Commitment, Energy Efficiency Directive and the rollout of smart and advanced meters. It also provides UK input to developing international energy management standards and Chairs several BSI committees.

ESTA members are key to the UK's realisation of a low carbon, secure and affordable energy future. Our members provide equipment, systems and services for energy management to reduce energy demand at source and including renewables.

Our response is a majority consensus of the members involved. Where ESTA members respond directly, they may offer differing opinions on some issues, which we respect as expressing their own definitive view.

## **Proposals for regulating non-domestic Third Party Intermediaries (TPIs)**

ESTA welcomes the opportunity to respond to this consultation and continues to provide its support for government initiatives aimed at maintaining a transparent and level playing field for all stakeholders in the UK energy industry.

ESTA is well positioned in the marketplace to be able to provide expert insight into what is required in terms of focussing the scope of the proposals in the non-domestic arena.

We support and agree with Ofgem's proposals as laid out in the consultation, but would emphasise and reinforce the clarity of TPI scoping and definitions.

We agree with Ofgem's view that the TPI definition should focus on third party contracting, directly with a supplier for a supply contract where a fee from a supplier is made. We also do not believe that any proposals for regulation should encompass data collection, smart metering products or other measures aimed at energy reduction, through management and efficiency measures within the context of this proposed framework.

For the code administrator, we agree that this should be an independent body who do not represent stakeholder interests, but who have an interest in promoting best practice in the industry supply-chain and do not see the existence of a code as a primary financial motive.

There is little in terms of policing and compliance mentioned at this stage. This needs to be robust in order that registered parties are dealt with swiftly and do not effectively compromise the code's credibility.

ESTA however, is happy to engage further with Ofgem following the close of the consultation looking towards the final proposals to be laid out later this year.

Consultation question responses:

### **Question 1: Do you agree with the definition of TPIs? Please provide any suggestions along with supporting information.**

As mentioned above. We agree with the definition outlined specifically relating to supply contract and supplier fee.

### **Question 2: Do you agree with our list of proposed TPIs that could be covered by any regulation we introduce?**

Subject to the clarification in the definition, and understanding Ofgem's view we would suggest Energy Advice Companies have a much tighter definition including wording such as 'in contracting supply agreements'.

**Question 3: What types of organisations should be exempt from our TPI scope definition and why?**

As stated in 2.8, we agree that the definitions should not capture TPIs offering energy efficiency advice, data collection or smart metering products who are not negotiating supply contracts on consumers' behalf.

**Question 4: Do you agree with our recommended option for regulating non-domestic TPIs?**

We agree that a licence condition on suppliers to work with accredited TPIs is the most reasonable path to provide a solution to the current situation.

**Question 5: Do you agree with our proposed governance recommendations?**

We agree with the option outlined in B. and that Ofgem should retain overall content control.

**Question 6: Please provide your views on the appropriate representation for members of the proposed independent code board.**

The board should comprise as many consumer representative stakeholders as supply and TPI stakeholders. The Code is there to foster best practice and transparency in the industry and it is vital that customers are fully represented.