



Sustainable Development News

December 2014

Issue 7



Welcome to your latest sustainable development newsletter

You'll find news on our latest activities and upcoming consultations. If you have any thoughts on anything you read please [let us know](#).

This issue includes updates on our new rules for green tariffs, our work to improve complaints handling, and our latest cases and investigations. And don't miss our open and upcoming consultations- we want your views.

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Latest sustainability news



Community energy report

This year we chaired the community energy grid connections working group at the request of the Department for Energy and Climate Change (DECC).

The final report was submitted in July. It included actions on improved engagement, smart grid solutions, and ways of managing the cost of connections.

DECC's response is expected early in 2015, in the annual update to their Community Energy Strategy.

[Read the working group](#)



New rules for green tariffs

We're introducing new rules for the green tariffs market which will help consumers make informed decisions.

These tariffs will have to follow three principles: transparency, environmental benefits, and evidence of renewable supply.

A consultation on the new supply licence conditions closed last month and the rules should come into effect from April 2015.

[Find out more about the new rules](#)



Environmental Discretionary Reward results

We've released the results of the Environmental Discretionary Reward (EDR), an incentive for electricity transmission licensees.

This aims to move the industry towards a low carbon energy system, and to encourage companies to achieve high standards of environmental management.

No applicant obtained a high enough score to obtain a financial reward, but all improved on the trial year's results.

[View the EDR scheme](#)

What we're doing to protect consumers

Improvements needed in complaints handling

Research we published in September showed that over half of consumers who complained to their energy supplier were unsatisfied with how their complaint was handled.

We told large suppliers to explain how they plan to improve, and to audit their process for closing complaints. We are also bringing the next survey forward to 2015.



New consumer research

Dynamically teleswitched meters and tariffs allow suppliers to remotely control customers' heating loads.

We asked consumers about these tariffs to learn more about their experiences of the market.

The findings confirm our view that consumers on these tariffs find it harder to engage with the market than domestic consumers in general.

[View research](#)



Changes for price comparison sites

We've proposed changes to our Confidence Code, a voluntary code of practice for price comparison websites.

These changes should make it easier for customers to see all the deals in the market.

We've also proposed tough new rules to make commission arrangements with suppliers clearer, plus changes that will enable more sites to be accredited.

Latest enforcement activity



Case announcements

We are consulting on penalty and redress payments of £39 million from Drax and InterGen in connection with failures to meet obligations under the Community Energy Saving Programme.

We have also completed investigations into mis-selling by EON, tariff rule breaches by Scottish Power, and complaints handling by EDF.

These led to consumer redress totalling £16 million, which was paid to benefit vulnerable and affected consumers, and charities.

[View our closed cases](#)



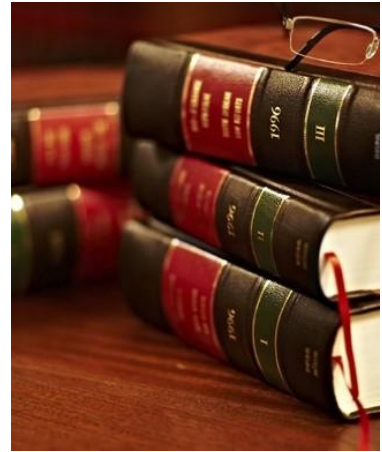
New investigations opened

Since July, we have opened seven investigations.

These include investigations into how British Gas, Npower and EON are meeting their obligations in rolling out advanced meters.

We have also opened investigations into Economy Energy, Business Energy Solutions, Utilita and Scottish Power's compliance with other supply licence conditions.

[View all open investigations](#)



Enforcement review concludes

We have completed our Enforcement Review, which culminated in updated Enforcement Guidelines and a new Policy on Penalties and Redress.

These ensure that our enforcement policies and processes are clear, consistent and transparent.

They also reflect changes that we have made to maximise the impact and efficiency of our work.

[Read about the enforcement review](#)

Consultations



Changes to Licence Lite guidance

Closes 5 December 2014

We're consulting on revisions to the guidance for the reduced licence option for new suppliers, often known as 'Licence Lite'.

This sets out proposed additions, updates and clarifications to the main components of the 2009 guidance.



Changes to REMIT guidelines

Expected to open December 2014

The EU REMIT Regulation prohibits insider trading and market manipulation in wholesale energy markets.

In the light of our case-handling experience and the conclusions of our Enforcement Review, we intend to consult on changes to the REMIT procedural guidelines and penalties statement.

[View all consultations](#)

About Sustainable Development

Our division brings together Ofgem's work across environmental, social and consumer policy, and enforcement. We help Ofgem fulfil its duties to make a positive difference for future and existing energy consumers through sustainable development.

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