

Ruben Pastor-Vicedo
Ofgem
9 Millbank,
London
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Dear Ruben,

Good Energy's response to Ofgem's consultation of white label providers

Thank you for the invitation to respond to the above document. Good Energy is a fast-growing 100% renewable electricity supply company, offering value for money and award-winning customer service. An AIM-listed PLC, our mission is to support change in the energy market, address climate change and boost energy security.

Executive Summary

Good Energy welcomes Ofgem's consultation on white label providers and their relationship with their partner suppliers. We have long felt that many customers of white labels have been unaware of their white label status and Ofgem's proposals to make this clearer are welcome.

From an industry point of view, the opaqueness of white label providers to other market participants also causes complications and confusion as other suppliers have assume the customer is aware that they are a customer of the partner supplier, and this can make providing comparable quotes difficult.

We would prefer all suppliers to be separately licenced. This would make the situation more transparent and accountable to both customers and other parties in the market. This would not prevent suppliers receiving services from a partner supplier, or from a non licensed specialist offering a service to smaller licensed suppliers. We do not believe requiring all suppliers to be licensed would significantly increase costs.

To this end, and to encourage white label providers to move to their own licence, we believe that the four tariff cap should cover both white label providers and their partner supplier. Once separately licensed, they would have their own allocation of tariffs.

We have answered your specific questions below, expanding where necessary.

Q1. Do you agree with our current assessment of white labels? If not, please provide evidence you have to support your views?

We broadly agree with the assessment of the white label market. We do however firmly believe that white label products are not currently conducive with the Standard of Conduct which requires transparency, as our experience is that recognition of the relationship between the licenced supplier and the white label is low amongst white label customers. For example, very few EbiCo customers realise they are supplied by SSE.

As a supplier we find white label providers difficult to manage as a losing/gaining supplier as the party id in industry data flows and registration databases do not identify whether the customer is

with the licence supplier or their white label. This lack of identity can create confusion to customers. We would like to see this issue addressed.

Q2. What are your views on our tariff proposals? If you do not support our proposals on either the tariff cap or the other RMR rules, please explain your reasoning?

Good Energy welcomes the additional competition, but believes all suppliers should be licensed. This does not preclude a licence holder from then contracting with another licence holder for services, but does mean that that supplier can be held directly accountable. If a retailer is not prepared to be held directly accountable for the actions it takes in supplying energy, then it should share the four tariff cap of their licenced supplier.

We do not believe that an arrangement where the retailer holds a license but contracts with another supplier for services would be significantly different in terms of costs.

We also note that the definition of a white label provider does not seem to preclude a licensed supplier from setting up a subsidiary company with different branding operating as a white label provider. For example, we believe SSE could under the current definition set up SWALEC, Atlantic and Scottish Hydro as separate white labels to the main SSE brand, and thus gain additional tariffs.

Q3. What are your views on out CTM proposals? If you do not support our CTM proposals, please explain your reasoning

We are supportive of the CTM proposals, but believe that all tariffs offered under that licence should be included, even if they are for different white label providers. If white label providers wish to avoid CTM, then they could ask their partner supplier to operate a separate licence for them which they would be responsible for.

We especially welcome the proposal to require partner suppliers and white label providers to explain their relationships to their customers. We believe this is especially important where a white label provider is offering a cheaper tariff than the partner supplier, so that direct customers of the partner supplier can understand why this is the case.

Q4. If you are a partner supplier or a white label, how long do you envisage it will take you to implement our CTM proposals? Please explain the activities and timescales for implementation.

Not Applicable.

Q5. Do you think that we should require white labels to publish information setting out the value they deliver to consumers? If you think so, please outline what information you think a white label should provide.

We do not think that white labels need to be mandated to set out what values they deliver, but they should be required to make clear what services they deliver and which are delivered by their partner supplier. If a customer wishes to leave the partner supplier due to poor customer service, then knowing whether the white label provider operates their own customer care, or they use the partner supplier would be a key bit of information.

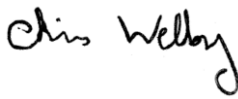
Both partner suppliers and white labels should also make clear where information published by them is at a licence level, or provider level. For example complaint reporting and fuel mix disclosure

Q6. Do you have any comments on our draft of proposed supply licence condition changes in appendix 3?

Our only comment is that we believe the definition of a white label provider should exclude companies who are owned or have a common ownership of the partner supplier.

I hope you find this response useful. If you have any questions or require clarification, please do not hesitate to contact me.

Kind regards,



Chris Welby

Policy & Regulatory Affairs Director