



ACS Submission: Smart billing for a smarter market: our proposals

ACS (the Association of Convenience Stores) welcomes the opportunity to respond to Ofgem's consultation on 'Smart billing for a smarter market'. ACS represents more than 33,500 local shops across the UK, many of whom are small independent stores run by individuals or families.

The nature of convenience retail, with long operating hours, intrinsic use of refrigeration and other mandatory equipment, means that energy costs are a significant burden. The costs of energy are a critical factor in the viability of convenience store businesses and it is therefore crucial that convenience retailers are not further burdened by backbilling.

Please see below for ACS' responses to the relevant questions as outlined in the consultation.

Chapter 2

Question 1: Do you agree with our assessment of the risk of estimates and backbills in the smart future? Please provide any evidence you have to support your answer.

Question 2: Do you agree that a time limit on smart backbills is an appropriate response to this risk?

The convenience sector is heavily reliant on refrigeration and other mandatory equipment, with 30% of retailers having more than 10m of refrigeration space in 2015, an increase of 14% from the previous year¹. Therefore, energy costs tend to be high in the sector and any backbill would likely be for a significant amount of money.

Due to the high energy costs that the convenience sector incurs, we support a time limit on smart backbills as an appropriate response to the risks outlined in the consultation. We support the six month initial time limit as it would half the current voluntary industry standard.

Question 4: Do you have any comments on our proposal for suppliers to publish billing performance data for consumers with smart meters?

Question 5: Do you agree with our proposed treatment of microbusinesses? Please provide details of any reasons why not.

ACS welcomes microbusinesses being included within the scope of the smart backbill limit. This will address the costs that have been placed on microbusinesses from backbills that

¹ ACS Local Shop Report 2015

could span back a number of years, demanding significant sums, even when the retailer was not at fault.

We would welcome microbusinesses to be included within the scope of billing performance data, this would reduce the reliance that microbusinesses have on estimated meter readings. Relying on estimated meter readings has previously only led to a number of complaints from retailers over inaccurate billing.

Chapter 3

Question 1: Do you agree with our proposal for the duration of a smart backbill limit?

Question 2: Do you agree with our proposed implementation timescales?

ACS supports the six month initial time period, with the intention to review and reduce the limit to three months in 2020. However, we believe an absolute restriction on backbilling is feasible in the future. We propose that Ofgem should hold an additional review after the introduction of the three month limit to restrict backbilling entirely.

For more information on our submission, please contact Julie Byers, ACS Public Affairs Executive, at Julie.Byers@acs.org.uk or on 01252 515001.