



Ofgem-BEIS Independent Suppliers Forum

Anthony Pygram, Ofgem
Steph Hurst, BEIS

03/08/2016

ofgem

Introduction from Chairs

Anthony Pygram (Ofgem)

Steph Hurst (BEIS)

Time	Item	Speaker	Applies to
0930	Arrival - tea and coffee available		
1000	Introduction and welcome	Anthony Pygram (Ofgem) and Steph Hurst (BEIS)	All
1020	Introduction from Dermot Nolan, Ofgem CEO	Dermot Nolan (Ofgem)	All
1035	CMA	Steph Hurst (BEIS) and Alex Tyler (Ofgem)	All
1100	The Switching Programme <i>(presentation and workshop)</i>	Angelita Bradney (Ofgem)	All
1210	Networking lunch		

Time	Item	Speaker	Applies to:
1305	Future of retail market regulation (<i>presentation and workshop</i>)	Andrew Thomsen (Ofgem)	Domestic (non-domestic welcome to participate)
1405	Voluntary redress payments	Kieran Coleman (Ofgem)	All
1420	Theft of energy	Keavy Larkin and Sarah Jones (Electralink)	All
1440	Supplier Performance report	Chris Wood, Roger Littlewood and Mark Jenner (Ofgem E-serve)	All (except for gas-only suppliers)
1500	Coffee break		

Time	Item	Speaker	Applies to:
1515	Vulnerability and the smart meter roll-out	Charlotte Friel (Ofgem)	Mainly domestic, although some requirements in SMICOP apply to non-dom
1530	Energy Switch Guarantee	Kerry LeVan (Energy UK)	Domestic
1550	Closing remarks / AOB	Anthony Pygram and Steph Hurst	All
	Project Nexus - cancelled	Rob Salter-Church	Gas suppliers only
1600	Finish		



The Rt Hon

Greg Clark MP

Secretary of State for
Business, Energy and
Industrial Strategy



 HM Government

GREG CLARK - Secretary of State for Business, Energy and Industrial Strategy

- Leading the Department's work across all areas

Jo Johnson MP

Minister of State for
Universities and
Science



 HM Government

JO JOHNSON - Minister of State for Universities, Science, Research and Innovation

Science and Research
Innovation

Baroness Neville- Rolfe DBE CMG

Minister of State at
the Department for
Business, Energy and
Industrial Strategy



 HM Government

BARONESS NEVILLE-ROLFE – Minister of State for Energy and Intellectual Property

Energy (with Jesse Norman):



Nick Hurd MP

Minister of State at
the Department for
Business, Energy and
Industrial Strategy



 HM Government

NICK HURD - Minister of State for Climate Change and Industry

Climate change
Industry and enterprise

Jesse Norman MP

Parliamentary Under
Secretary of State at the
Department for Business,
Energy and Industrial
Strategy



 HM Government

JESSE NORMAN - Minister for Industry and Energy

Supporting Nick Hurd on industrial policy
Supporting Baroness Neville-Rolfe on
energy policy

Margot James MP

Parliamentary Under
Secretary of State at the
Department for Business,
Energy and Industrial
Strategy



 HM Government

MARGOT JAMES - Minister for Small Business, Consumers and Corporate Responsibility

Introduction from Dermot Nolan

Ofgem CEO

CMA (Ofgem and BEIS)

Steph Hurst

steph.hurst@decc.gsi.gov.uk

Alex Tyler

remedies@ofgem.gov.uk

- **Final report and remedies published 24 June**

- **Comprehensive package of remedies to:**
 - Drive innovation and consumer engagement in both domestic and micro business market;
 - Protect pre-payment customers, who are least able to benefit from competition;
 - Delivering a regulatory and industry framework more focused on competition

- **Implementation through:**
 - CMA orders
 - Ofgem licence conditions
 - Primary and secondary legislation

BEIS remedies:

- Greater transparency around CFD allocation process
- Mandating midata for all domestic suppliers
- Consideration on whether to remove any other potential barrier for suppliers collecting consumption data more granular than daily for implementing mandatory HH settlement

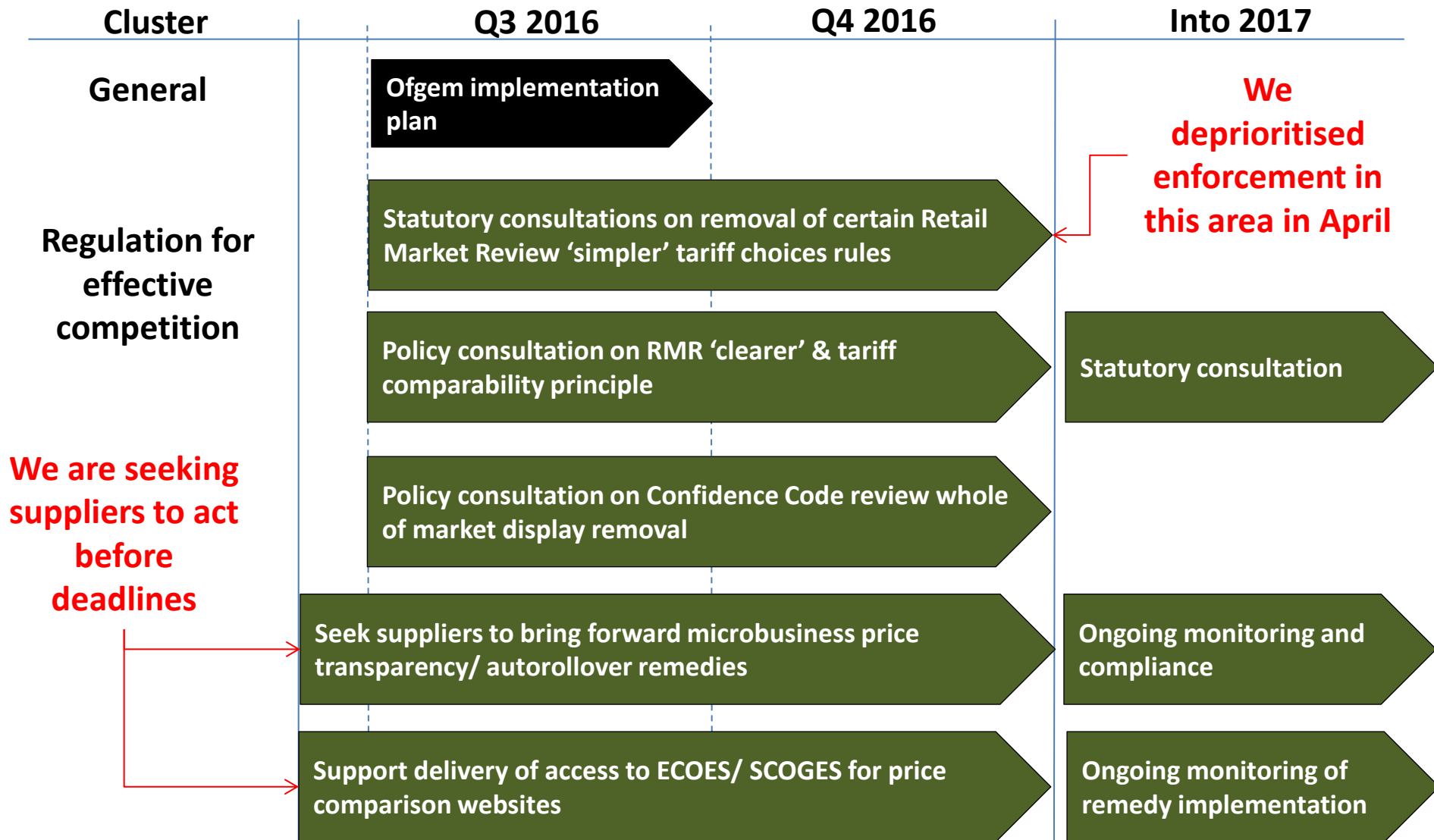
- Legislation to:
 - focus Ofgem duties more clearly on promoting competition
 - establish a process for Ofgem to publish opinions on draft legislation and policy proposals relevant to its statutory objectives
 - give Ofgem the power to modify industry codes in certain exceptional circumstances
 - licensing code administrators

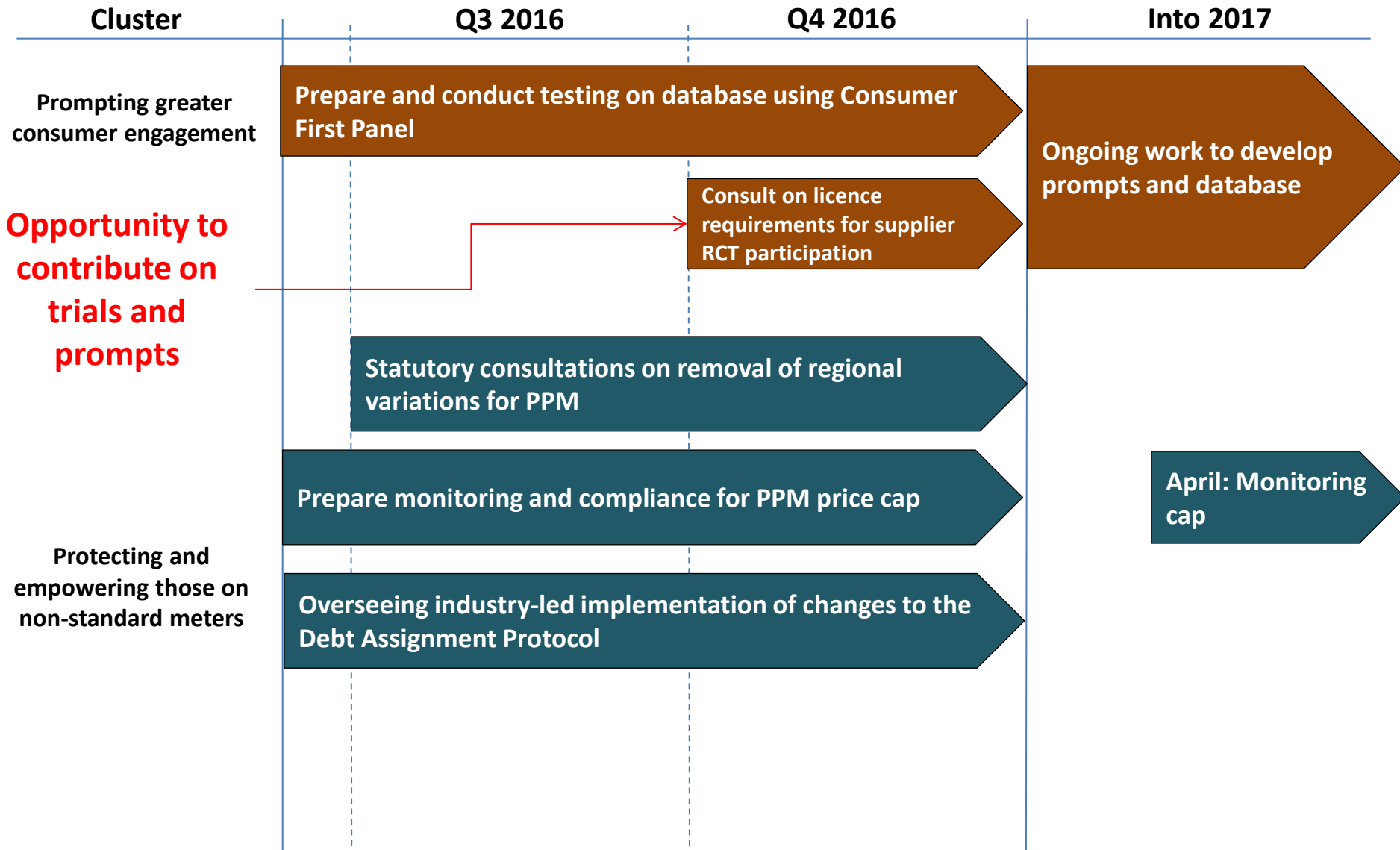
Joint BEIS and Ofgem:

- Consultation on plan and timetable for half hourly settlement
- Publish joint statements on BEIS policy objectives that will require Ofgem interventions

Five clusters of remedies:

1. Regulation for effective competition
2. Prompting greater consumer engagement
3. Protecting and empowering those on non-standard meters
4. Building industry systems and governance for the future
5. A robust and independent regulator







For all queries/ feedback on the implementation of the CMA remedies, please contact us:

remedies@ofgem.gov.uk

Switching Programme (Ofgem)

Angelita Bradney

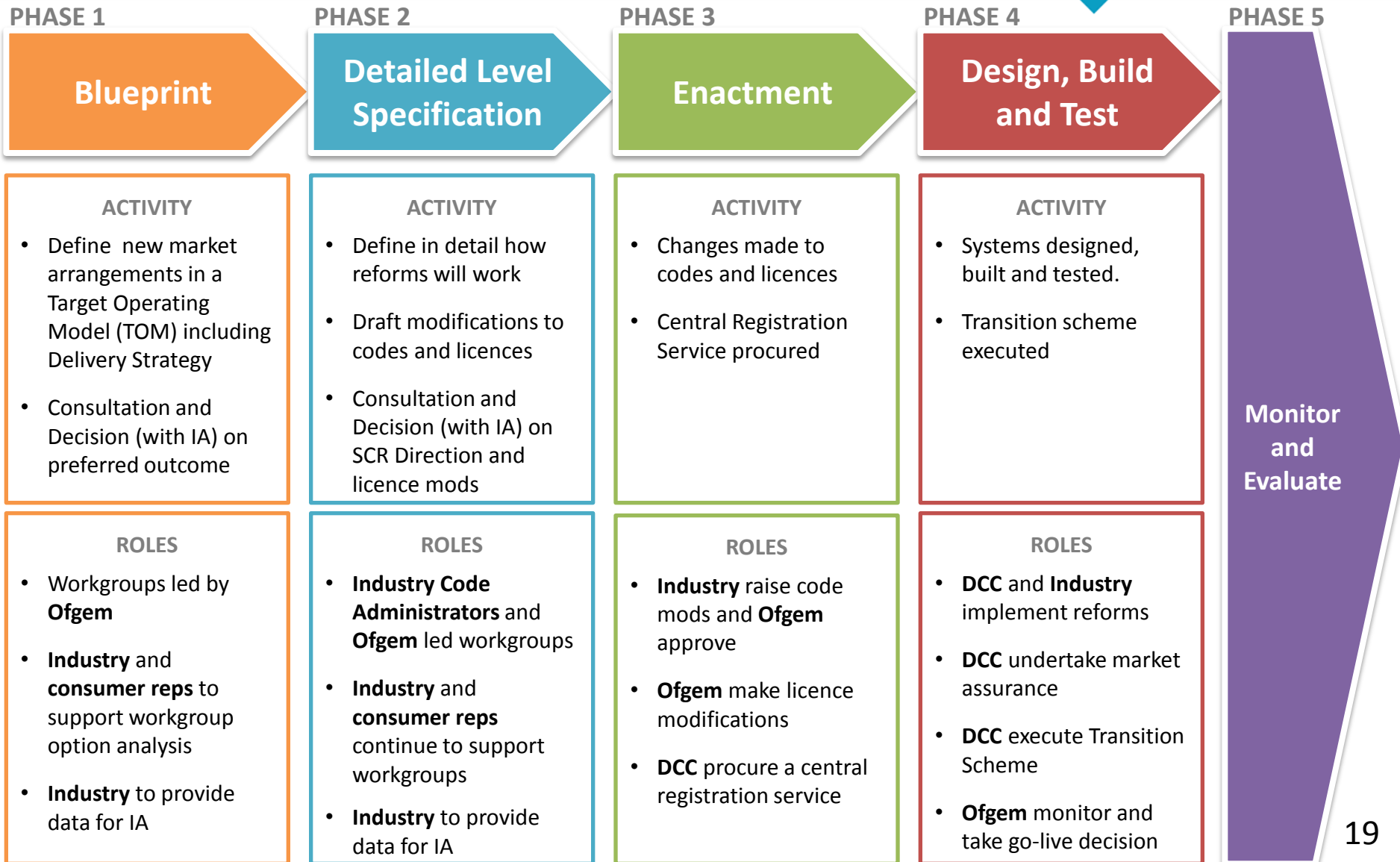
Angelita.Bradney@ofgem.gov.uk

- Give you a quick overview of the Switching Programme
- Inform you about progress and decisions made so far
- Seek your views on two particular issues:
 - Erroneous transfers
 - Data cleansing
- Summarise next steps

The objective of the Switching Programme is to improve customers' experience of switching, leading to greater engagement in the retail energy market.

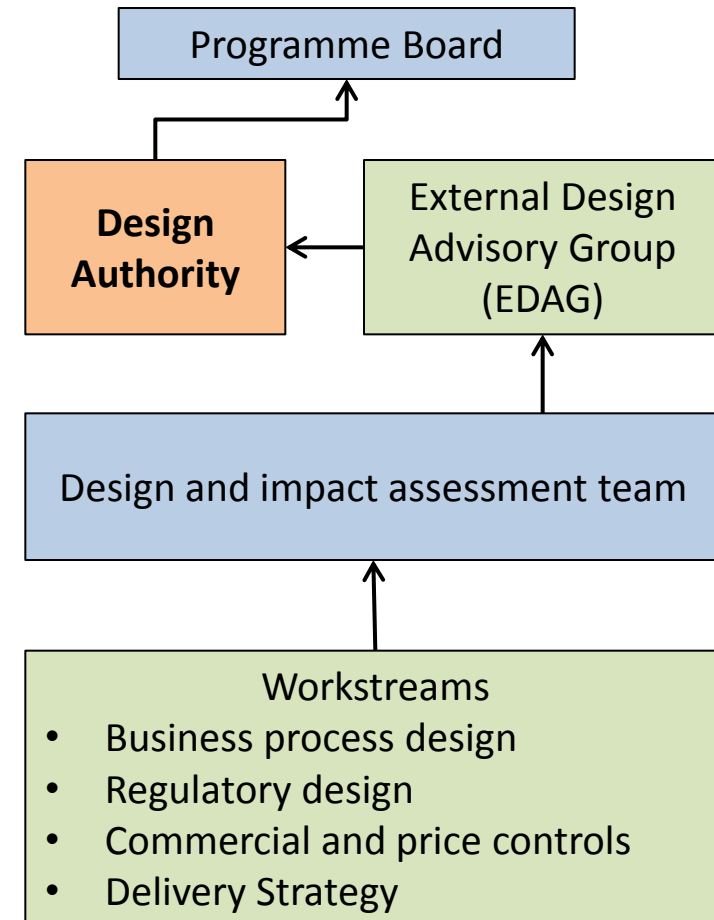
- We want to achieve this by designing and implementing a Centralised Registration Service and a new switching process that is reliable, fast and cost-effective.
- We expect that this will build consumer confidence and facilitate competition, delivering better outcomes for consumers.
- Our intention is to deliver customer benefits from the new arrangements by 2019.

To achieve our objective we need the input, support and commitment of stakeholders across the industry



Approved as baseline*:

- **Dual fuel switches:** “one fail, all fail” functionality
- **Advanced registration:** 28-day advanced registration functionality, capable of being amended. One pending registration request allowed at a time
- **Standstill period:** functionality to enable a period post-switch during which a further switch can not take place. Initial assumption of 5 days. Capable of being amended depending on whether meter is smart or standard
- **Objections:** we will assess the impact of (a) instant objections (preloaded); (b) instant objections (messaging); ‘compressed window’ objections



*Decisions made by the Design Authority will be reflected in Design Baseline 1 for the programme, which will be the subject of an impact assessment and a formal consultation in 2017

11 August

- Linking related meter points
- Operational requirements: information risk assessment, helpdesk, service availability

16 August

- Cooling off
- **Solution architecture options**
- **Erroneous transfers**

28 September

- Definition of “next day”
- Governance, assurance, testing and post-implementation strategy

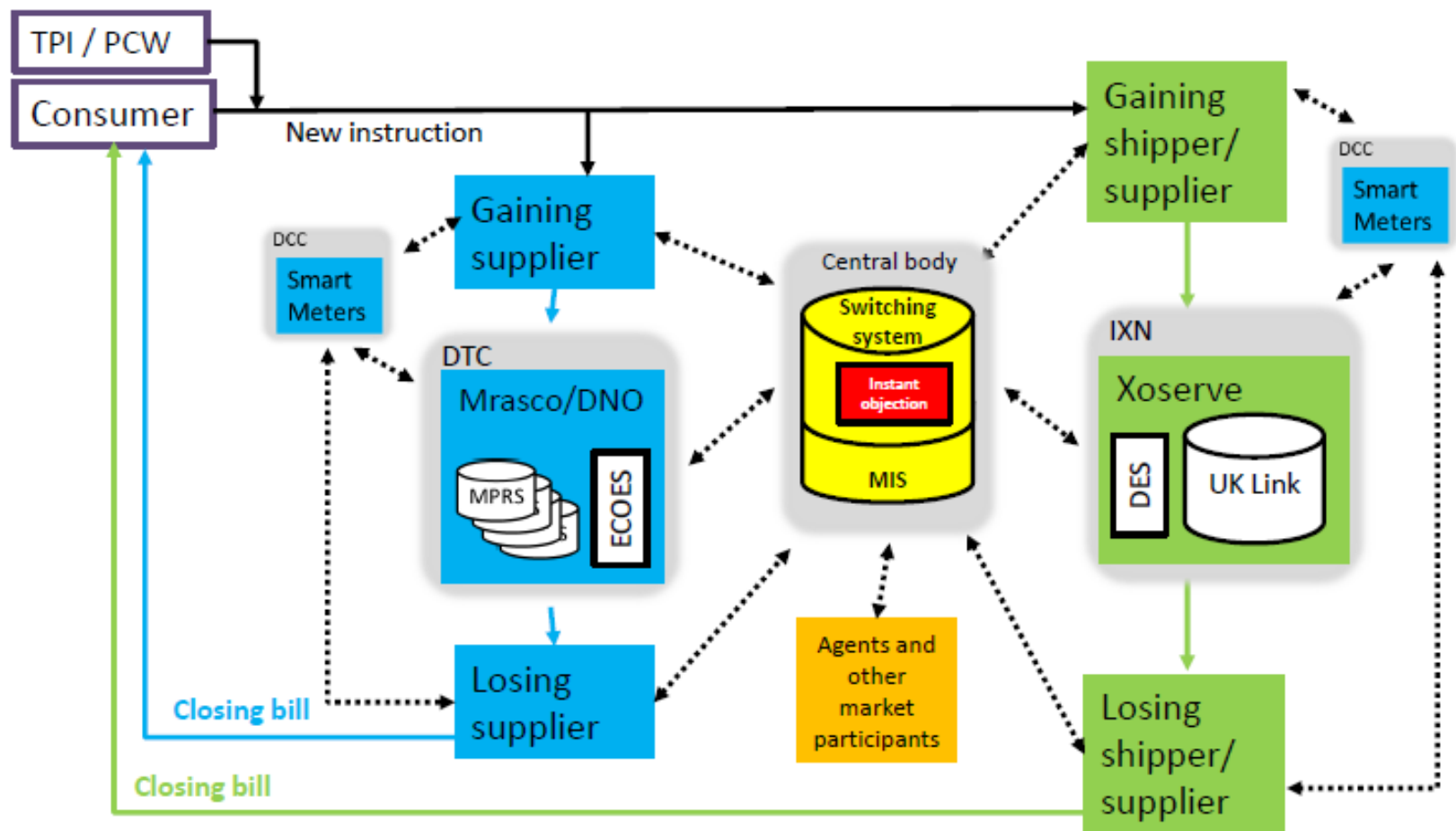
27 October

- Transition strategy
- **Data cleanse strategy**
- Data conversion and migration approach

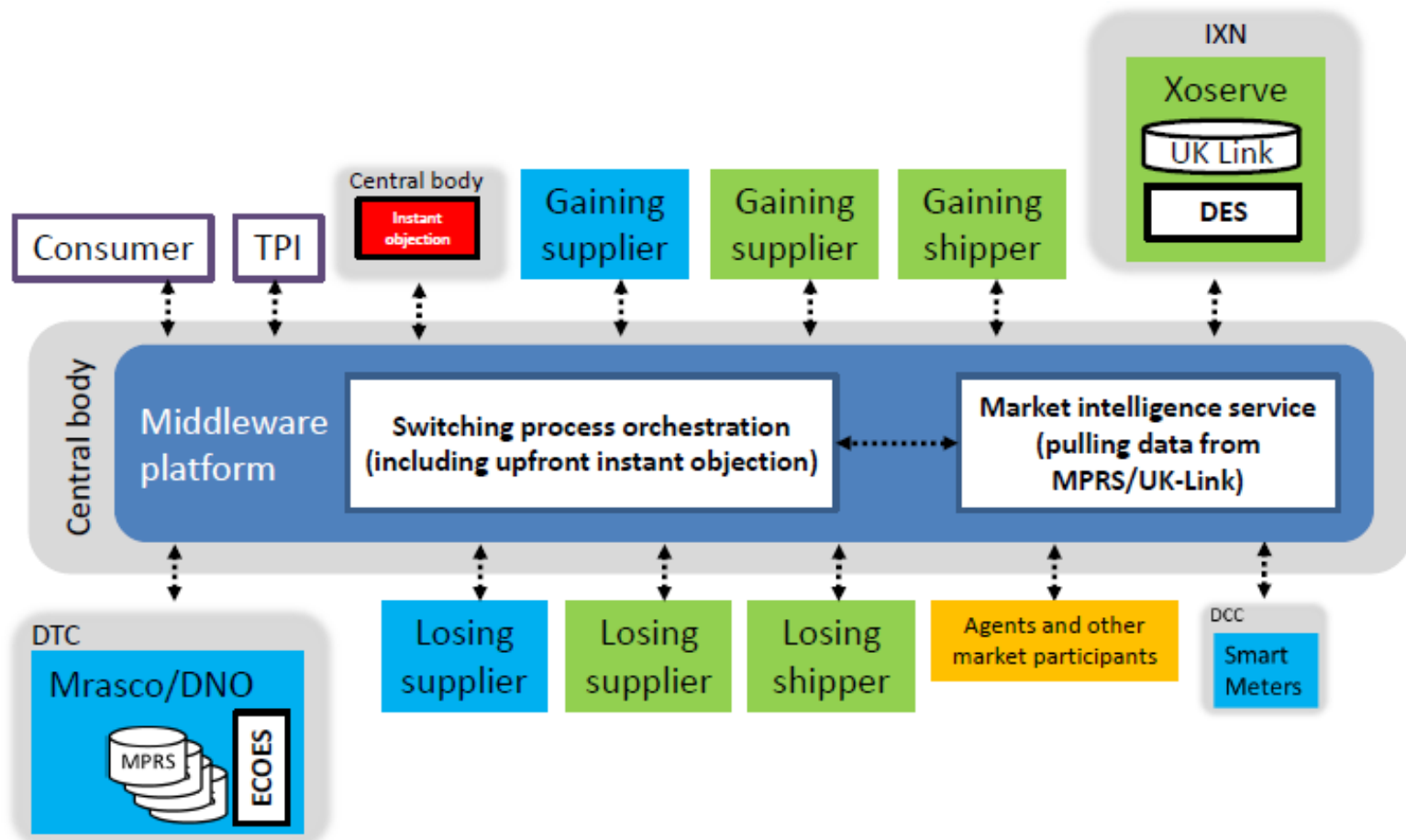
1 December

- Finalise scenarios for request for information (RFI)

Example: “Thick” CRS: instant objections, switching system and management information system database provide a complete centralised registration service



Another example: Intelligent middleware solution which will orchestrate the switching process, and interact with a virtual market intelligence service pulling data from existing services



Rest of 2016: continue design work

Late 2016: test scenarios for request for information (RFI) with industry

Early 2017: Publish Design Baseline 1, strategic outline business case and RFI

Mid 2017: Consultation on preferred way forward

<https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/smarter-markets-programme/switching-programme>

Erroneous
transfers

Data
cleansing

- Erroneous transfers (ETs) occur when a consumer has been switched by a supplier against their wishes
- Currently account for ~1% of switches - domestic and non-domestic
- Difficult to determine with any accuracy where this number might go once the Switching Programme changes have been delivered
 - New business processes, data cleanse and clearer ownership of datasets ought to help to reduce the incidence of ETs
 - However, faster switching times mean there will be less time to correct ETs before a switch has been processed
- We want to ensure that the right arrangements are in place to prevent ETs from occurring in the first place, and to rectify them when they do occur
- Wherever possible, we want to process ET reversals by following the same switching arrangements we are currently designing

We have identified several potential routes that could be helpful in preventing ETs from occurring:

- Improving triangulation of data sources
- Enhancing the role of third party intermediaries (TPIs)
- Consumer Identification Number (CIN) tests

1. How would these options work in practice?
2. Are there circumstances in which some or all of them could not be used?
3. Are there other means of validating information and reducing the incidence of ETs?

There are several instances in which effecting an ET reversal by the same means as a ‘normal’ switch may not be appropriate or possible:

- Obtaining smart meter historical consumption: The consumer’s original supplier may need to access historic half-hourly consumption information to ‘re-engineer’ the consumers bill.
- ‘Standstill’ periods: Unlike a cooling off event, we do not think a consumer that has been erroneously transferred should be prevented from switching on again (either after the ET or after the return to their original supplier).
- Prepayment: Smart prepayment customers may, when erroneously transferred, be set to credit mode and build up debt.
- Consumer communications: A consumer that has been erroneously transferred may ‘miss’ communications like price increase or end of fixed term notices.

4. For each of these exceptions, what is the best means of handling them to ensure a smooth return for the consumer to their original supplier?
5. Are there additional exceptions that we should think about?
6. Are there also difficulties in the case of non-smart prepayment ETs?

- Poor data can delay or prevent customer switching, and the success (or otherwise) of other parts of the switching programme will depend on appropriate quality data.
- As a result, we believe that a data cleanse is an important step towards reducing failed switches and preventing a loss of customer confidence in the switching solution.
- Industry has made attempts to improve data before, most notably the Address Data Working Group (ADWG).
- The Switching Programme represents an opportunity to improve the quality of data in across the industry.

7. How does poor data quality affect customers' ability to switch to your business?
8. Are you able to quantify how many switches are 'lost' because of poor quality data?

- We have identified data that supports different parts of the switching journey. Some is used for switching the customer's account, others for settlement and billing
- Our initial view is that we should prioritise cleansing data used for physical meter point identification in the first instance.

Data type (not exhaustive)	Aspects of the switching process supported		
	location of meter point	tariff and contract for customer	billing and customer experience
MPAN/MPRN	✓	✓	✓
Meter Point Address	✓		✓
Supplier		✓	✓
Meter Serial Number	✓		
Profile Class		✓	✓
Market Sector Code		✓	✓
Meter Time Switch Code and other Meter Technical Info		✓	✓

9. Which of the data types listed here (or any others not listed) should we prioritise in order for our data cleanse exercise to have the greatest effect?

Below are some of the major issues identified with address data.

Issue	Affected Body (non-energy industry in red)
Plot-to-postal issues (alignment of plot numbers with postal addresses) in new build properties	Suppliers, GTs/DNOs, Developers, Local Authorities
Ambiguous address data provided by customers	PCWs, Suppliers
Flats and tenements where precise address is unclear	PCWs, Suppliers, Royal Mail, database providers
Identification of related meters	Suppliers, GTs/DNOs

10. How common are the issues with address data that we have identified? Are there others that we have missed?

1. How would these options work in practice?
2. Are there circumstances in which some or all of them could not be used?
3. Are there other means of validating information and reducing the incidence of ETs?
4. For each of these exceptions, what is the best means of handling them to ensure a smooth return for the consumer to their original supplier?
5. Are there additional exceptions that we should think about?
6. Are there also difficulties in the case of non-smart prepayment ETs?
7. How does poor data quality affect customers' ability to switch to your business?
8. Are you able to quantify how many switches are 'lost' because of poor quality data?
9. Which of the data types listed here (or any others not listed) should we prioritise in order for our data cleanse exercise to have the greatest effect?
10. How common are the issues with address data that we have identified? Are there others that we have missed?

Networking Lunch

Future of retail market regulation (Ofgem)

Andrew Thomsen

Andrew.Thomsen@ofgem.gov.uk

Today we want your views on:

1. How clearly do the Standards of Conduct communicate your core responsibilities to consumers? What, if anything, would you change?
2. What benefits and challenges do you see with a broad enforceable vulnerability principle?

Indicative timings:

- Standards of Conduct discussion – 20 mins
- Vulnerability principle discussion – 20 mins
- Feedback to the room – 10 Mins

We are reforming the regulatory framework that applies to the rapidly transforming domestic supply market. The status-quo is not an option.

Relying more on on principles will mean:

- Consumers can benefit from **innovation and competition**
- We have a **more future-proof framework** that protects consumers from existing and emerging risks effectively
- Suppliers are **putting consumers at the heart of their businesses.**

Key engagement so far

- December 2015 – [The future of retail market regulation consultation](#): Rulebook; Operations; Transition
- February 2016 – [ISF presentation on the rulebook and guidance](#)
 - Future of retail market regulation [stakeholder workshop](#)
- March 2016 – Future of retail market regulation [consumer group workshop](#)
- June 2016 – [Update on the way forward’ open letter](#)
 - [Summary of stakeholder responses](#) to the December consultation

Where appropriate, shift away from a prescriptive approach to regulation in the supply licence, guidance and other forms of communication with suppliers.

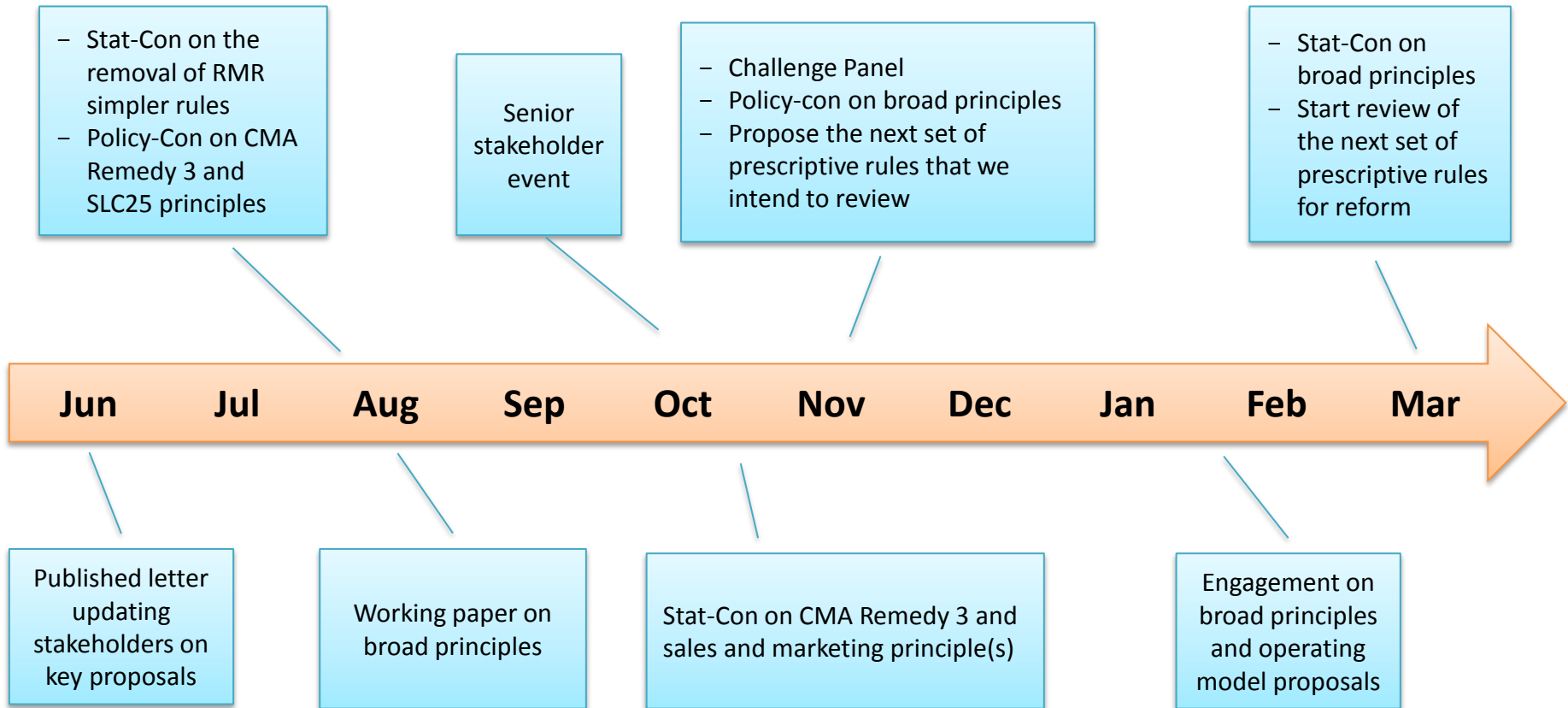
Describe clearly the policy intent of our rules and our expectations of suppliers so that they have greater regulatory certainty.

Significant changes to the supply licences and the way we operate them start with us, and will requires us to

Be comfortable with suppliers delivering positive consumer outcomes in different ways, except where a “one-size-fits-all” approach is needed.

Engage proactively with suppliers and assist with the shift of culture.

Adopt a more risk-based, structured and proportionate monitoring approach.



Intent:

Consumer trust and engagement falling. In some cases permanent disengagement from the market



Intent of the SoC is to improve the interactions consumers have with energy suppliers.

Scope:

All supplier (representative) dealings with domestic consumers



The SoC do not impose restrictions on the level of prices that energy suppliers charge.

Deemed contracts are within scope.

Features:

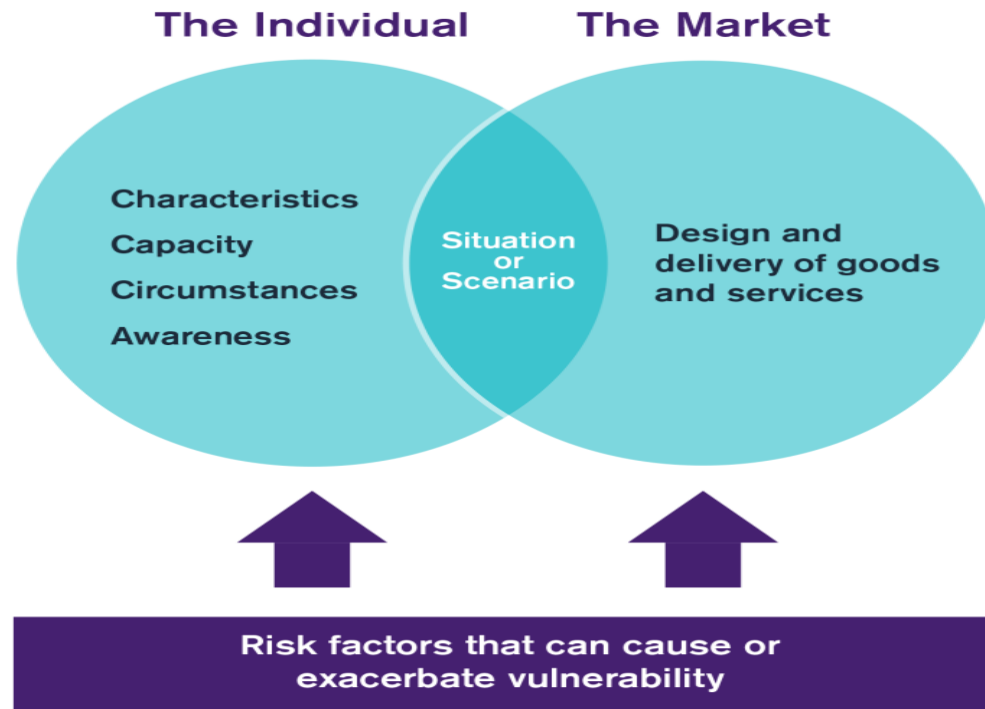
Specifies binding standards relating to the broad areas of Behaviour, Information and Process



Licensee must take all reasonable steps to achieve the SoC.

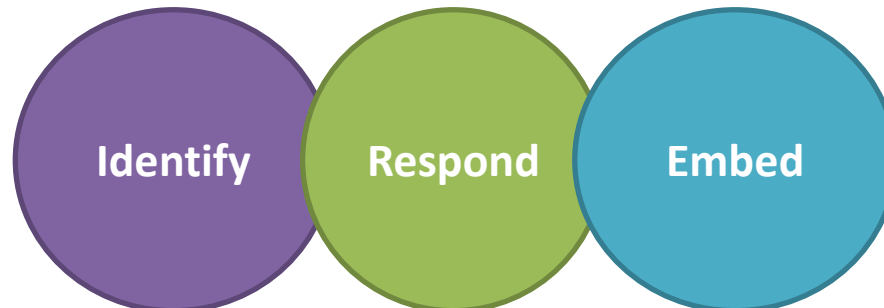
The SoC must be interpreted and applied in a manner consistent with the Customer Objective.

- The CVS articulates our definition of vulnerability and sets out a flexible framework suppliers can follow when dealing with consumers in vulnerable situations:
 - **IDENTIFY** vulnerability
 - **RESPOND** to vulnerability
 - **EMBED** consideration into design and delivery of products and services



An enforceable broad vulnerability principle is intended to deliver positive outcomes for consumers in vulnerable situations by:

- ✓ **Providing effective consumer protection**
 - i. give prominence to vulnerability upfront in the supply licence
 - ii. clearly communicate our expectations for appropriate treatment of consumers in vulnerable situations throughout the customer journey
 - iii. future-proof against emerging risks and the detriment which may be experienced by consumers in vulnerable situations.
- ✓ **Putting the onus firmly on suppliers** to place the needs and interests of consumers in vulnerable situations at the heart of their businesses.
- ✓ **Promoting innovation by giving suppliers flexibility to respond to different types of vulnerability**, building on some the good practice we already see from many suppliers.



1. How clearly do you think the Standards of Conduct communicate your core responsibilities to consumers?
What, if anything, would you change?
2. What benefits and challenges do you see with a broad enforceable vulnerability principle?

FEEDBACK SESSION

- **Releasing a working paper on broad principles in mid-August.** We will attend stakeholder events to present on the proposals in this paper.
- **Publishing formal consultation in November** on broad principles, key aspects of the operating model and the next priority areas of the licence proposed for reform.
- We will continue to engage on broad principles, and other issues, through bilaterals, phone calls, emails and stakeholder events.
- Please contact us at FutureRetailRegulation@ofgem.gov.uk

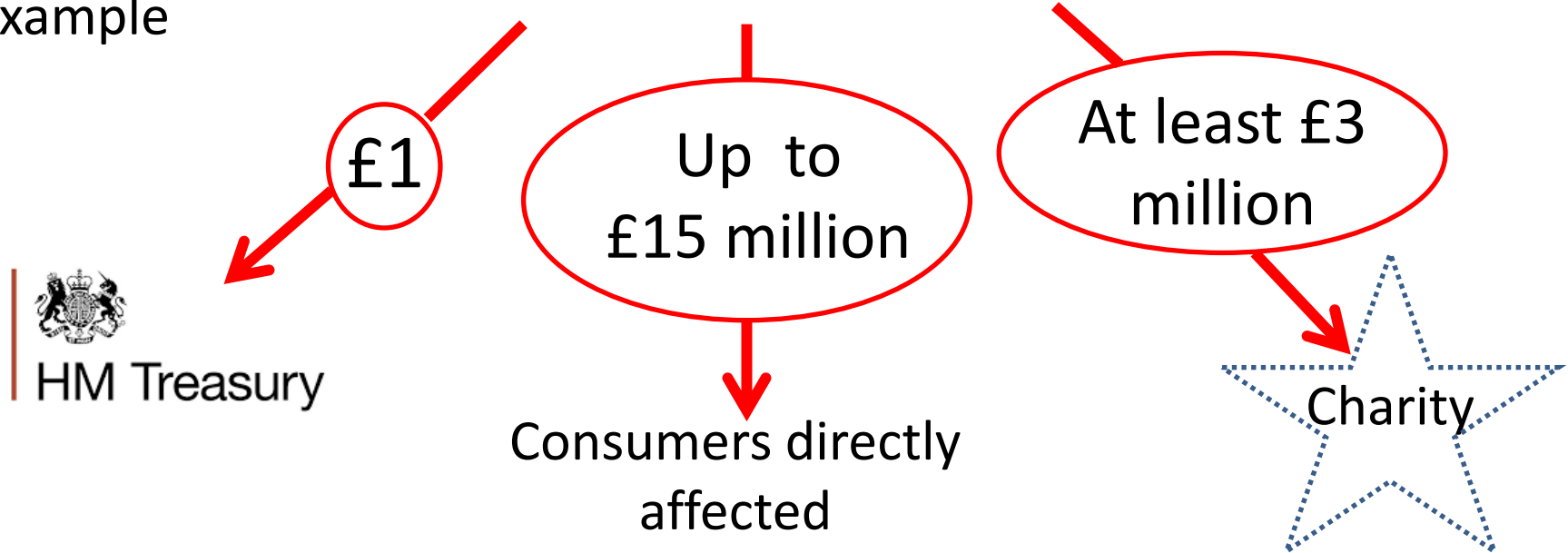
Voluntary redress payments (Ofgem)

Kieran Coleman

Kieran.Coleman@ofgem.gov.uk

- What are voluntary redress payments?
- Our objectives
- Options in the consultation

A recent
£18 million
example



Voluntary redress payments are paid by companies investigated by Ofgem to suitable charities, trusts and organisations, and can be in addition to direct compensation as well as a fine paid to Treasury.

- **Build on benefits delivered**
e.g. for settled cases in 2014 and 2015, voluntary redress payments of £73.5 million went to charitable organisations and the work undertaken by them as a result ultimately benefited 223,000 consumers.
- **Maximise the long-term impact for consumers by ensuring that funding is well targeted**
Our focus, where possible, is on charitable recipients / projects that support consumers in vulnerable circumstances.
- **Have robust & transparent process for selecting recipients**
We want to ensure that a wide range of potential recipient organisations have an opportunity to receive funding to deliver benefits for consumers.

1. Current process with enhanced principles
 - Company under investigation makes allocation proposal
 - Ofgem approves based on published principles
2. Have an expert third party be responsible for managing redress allocation (our preferred option)
 - Main advantage = appropriate expertise
 - e.g. a Donor Advised Fund (DAF) provider
 - A variation of this option is for Ofgem to set up an independent charitable trust specifically for allocating voluntary redress money.

- The [consultation](#) is available at www.ofgem.gov.uk/consultations
- Deadline: 24 August 2016
- Send queries / responses to:
Kieran Coleman: redress@ofgem.gov.uk



Theft of Energy

Keavy Larkin and Sarah Jones

Energy.TRAS@electralink.co.uk

ETTOS@electralink.co.uk

1. ElectraLink introduction
2. Theft Risk Assessment Service (TRAS)
3. Energy Theft Tip Off Service (ETTOS)

We are truly
independent and
are a trusted
delivery partner
to market
participants



We **understand**
industry
requirements &
they fully align
with our core
competencies

ElectraLink provide essential support services and change management to the following codes and agreements:

- Supply Point Administration Agreement (SPAA)
- Meter Asset Management Code of Practice (MAMCoP)
- Distribution Connection and Use of System Agreement (DCUSA)
- Distribution Charging Methodology Forum (DCMF)
- Smart Meter Installation Code of Practice (SMICoP)
- Data Transfer Service (DTS)

Theft Risk Assessment Service

Under direction from Ofgem, new licence obligations effective from Feb 2016 were placed on suppliers to detect, prevent and investigate theft.

- TRAS is a data analytics service administered by Electralink.
- Following the completion of a competitive procurement exercise, Experian Plc were appointed to develop and implement a Theft Risk Assessment Service (TRAS).

Theft Risk Assessment Arrangements

- DCUSA Schedule 25
- SPAA Schedule 34

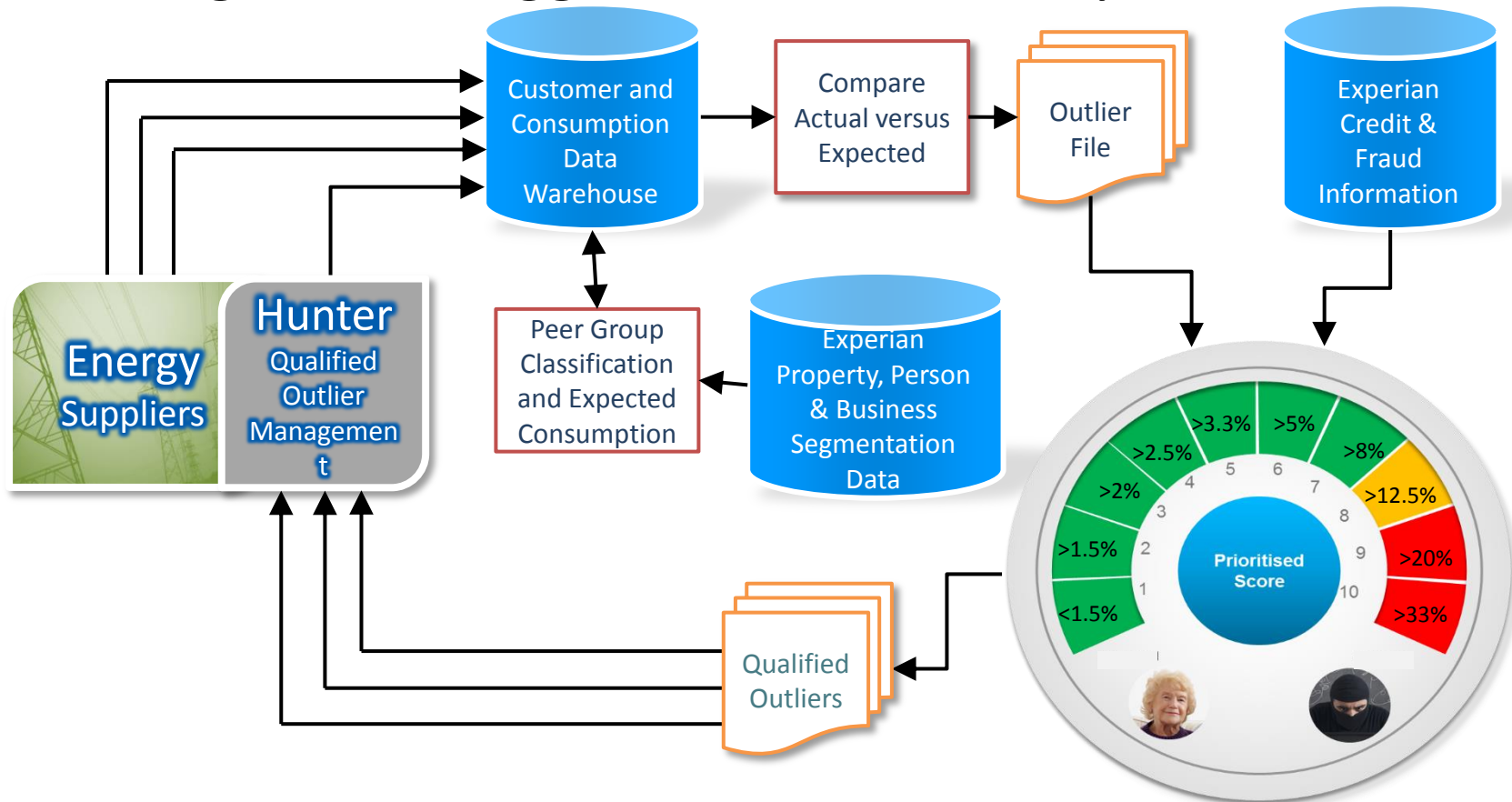
Suppliers are required by the SPAA and DCUSA industry codes to submit defined data items, split by domestic and commercial, to the TRAS at regular intervals commencing July 2015.

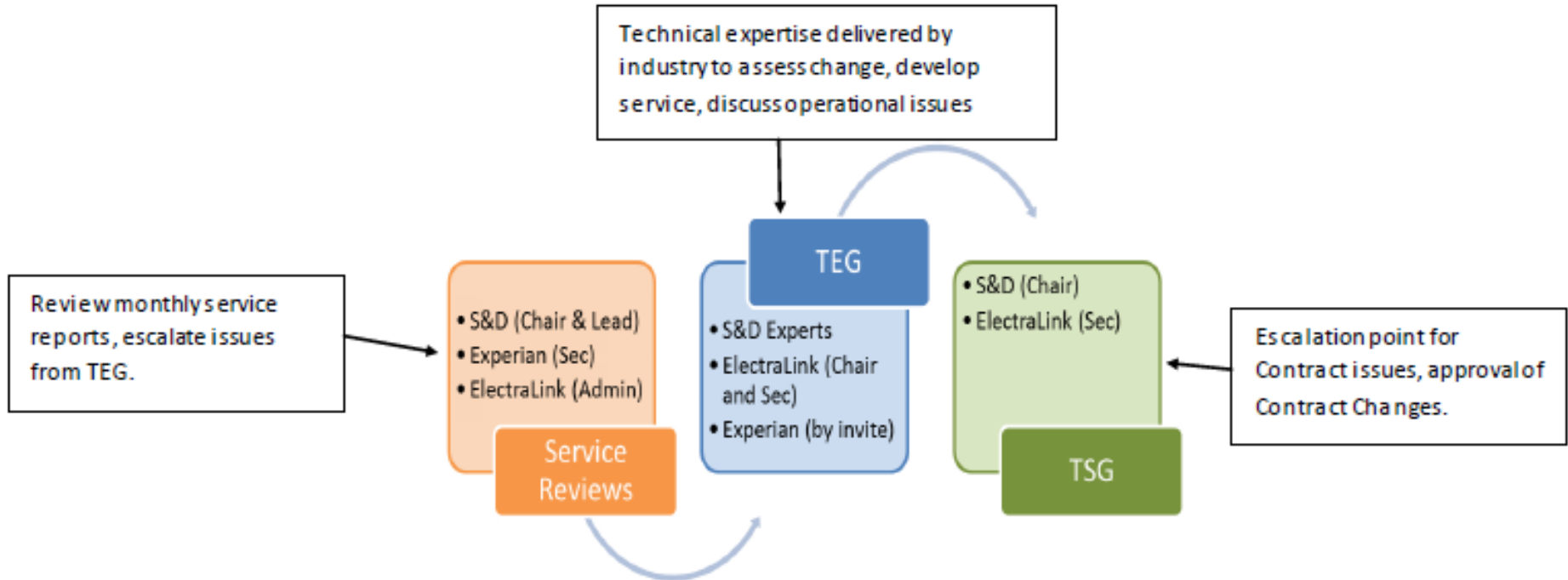
Key Characteristics of Experian's TRAS Solution – a data and analytics solution

- TRAS will use data provided by suppliers each month and augment it with third party data e.g. credit history;
- The service will derive instances of suspiciously low energy consumption, which will be given a score based on the third party data that will indicate the likely hood that a consumer is stealing energy;
- These 'consumption outliers' - potential instances of energy theft - are then passed onto suppliers to investigate;
- TRAS has now been in live operation since April and is producing qualified outliers.

Key Characteristics of Experian's TRAS Solution

Finding the bad eggs – a data and analytics solution





- **The TRAS Steering Group (TSG)** is comprised of the SPAA Executive Committee and the DCUSA Panel who are elected from within industry and are the governance bodies for the two codes. The TEG is ultimately responsible for approving any changes to the Service. Recommendations from the TEG and the Steering Group are fed back to the TSG.

- **The TRAS Expert Group (TEG)** is the industry working group for the TRAS Service – it is composed of industry experts and meets monthly to assess any code changes, operational issues and to develop the service. The TEG make recommendations for approval to the TSG and request the Service Review meeting to consider contractual issues.
- **Service Review Meetings** occur monthly between the Project Sponsors (SPAA and DCUSA representative), the Service Provider (Experian) and the Secretariat (ElectraLink). The Service Review meeting considers any contractual issues of the service and makes recommendations to the TSG for approval of contract changes.

Opportunity for industry participants to:

- Discuss TRAS related issues
- Propose changes to the TRAS operational service or TRAS Contract
- Debate draft SPAA and DCUSA Change Proposals
- Develop formal Change Proposals

The TRAS Expert Group is open to all SPAA and DCUSA Party members. It is held on the first Thursday of every month, at either ElectraLink's office or a venue close by.

All suppliers are encouraged to participate, especially independent suppliers, so that we can ensure this service is right for all of industry.

- TRAS Portal - <https://energy-tras.co.uk>
- TRAS E-Bulletins – contact energy-TRAS@electralink.co.uk
- TRAS Helpdesk - energy-TRAS@electralink.co.uk

The screenshot shows a SharePoint library page for 'TRAS Deliverable Documents'. The page includes a navigation pane on the left with categories like 'Home', 'About the TRAS', 'E-Bulletins', 'TRAS Meeting Calendar', and 'TRAS Deliverable Documents'. The main content area displays a table of documents with columns for Name, Schedule 9 Experian Workstream Ref, Schedule 9 Gantt Ref, and Programme Plan Phase. A search bar and a '+ new document or drag files here' button are also visible.

Name	Schedule 9 Experian Workstream Ref	Schedule 9 Gantt Ref	Programme Plan Phase
13.1 - TRAS Programme Quality Management Plan - V1.0	3.1 Programme management, integration and testing	Clause 13.1	Quality Plan
9.3.1.2 Experian - TRAS Interface Overview v1.0	3.1 Programme management, integration and testing	9.3.1.2	Outline Solution Design
9.3.1.2 Experian - TRAS Interface Overview v1.1	3.1 Programme management, integration and testing	9.3.1.2	Outline Solution Design
9.3.1.2 TRAS Outline Solutions Design V1.0 - Comments	3.1 Programme management, integration and testing	9.3.1.2	Outline Solution Design
9.3.1.2 TRAS Outline Solutions Design v1.0	3.1 Programme management, integration and testing	9.3.1.2	Outline Solution Design
9.3.1.2 TRAS Outline Solutions Design v2.0	3.1 Programme management, integration and testing	9.3.1.2	Outline Solution Design

Energy **T**heft **T**ip **O**ff **S**ervice

ETTOS will allow tip offs regarding suspected energy theft, received from the general public, to be sent to the relevant supplier or network operator based on the address provided in the tip off.

Crimestoppers will deliver:

- 24- hour, 7 days a week national free-phone telephone service;
- website for members of the public to report suspected energy theft online

ETTOS will go live in Autumn 2016.

- **SPAA and DCUSA Parties are required to provide a nominated single point of contact (ESPOC) for ETTOS matters.**
- The role the ESPOC will be to manage the interface between your party and Crimestoppers in the implementation phase of the project.
- The ESPOC will be responsible for the receipt of tip offs from the ETTOS, and any subsequent investigation (either directly or through their team).
- To receive tip offs from the ETTOS, Crimestoppers will provide each company with access to a secure web email system. The ESPOC will be the default user for your company, and will need to confirm receipt of test emails into the system.
- **Please provide these contact details ASAP by contacting ETTOS@ElectraLink.co.uk.**

- If you would like to find our more information, please contact the ETTOS team at ETTOS@electralink.co.uk.
- You can get involved by participating in the ETTOS Working Group – The ETTOS Working Group is open to all suppliers will meet on a monthly basis from May to September as the service is developed. Please contact ETTOS@electraLink.co.uk if you would like to be involved.
- We understand that independent suppliers may have difficulty attending the ETTOS monthly meetings, to facilitate this all of the meeting documentation is available on the SPAA and DCUSA websites and Suppliers can feed in their views ahead of the meeting should they so wish.

Supplier Performance Report (Ofgem E-Serve)

Christopher Wood
Roger Littlewood
Mark Jenner

SPR@ofgem.gov.uk

- Supplier performance report (SPR) is a cross-E-Serve project
- Collates & assesses supplier errors across the schemes
- Aims are to:
 - improve suppliers' performance
 - help the schemes run more effectively
- We want consumers to benefit: reduced costs, increased transparency, more informed choices
- If you have an obligation under any of the schemes that you haven't complied with, the details will be in the SPR
- Consultation [published](#) on 30 June 2016

- E-Serve administers six supplier schemes:
 - Renewables Obligation (RO)
 - Feed-in Tariff (FITs)
 - Energy Company Obligation (ECO)
 - Warm Home Discount (WHD)
 - Government Electricity Rebate (GER)
 - Offtaker of Last Resort (OLR)
- All require suppliers to submit information/payments
- Benefit consumers
- Schemes cost suppliers over £6bn pa; suppliers pass on scheme costs to customers



- Generally suppliers meet overall scheme obligations, but struggle with sub-obligations. For example, suppliers submit electricity supply figures late.
- We've take enforcement action for serious breaches, eg a misreporting case on RO and FITs where we penalised the supplier around £1m
- Minor errors don't warrant enforcement
- But cumulatively they result in extra costs for consumers and tax payers
- We want to improve the situation for consumers and improve suppliers' culture of compliance

- We help suppliers comply (guidance, website, 1:1s, workshops) and take action within schemes
- This has not greatly improved compliance
- Since 2014 we've logged and assessed incidents in the **Supplier Performance Report (SPR)**
- We propose to publish the SPR: [consultation](#) open for comment until **25 August 2016**



Our project started in summer 2015 and has comprised two phases:

Phase 1 (Jun – Dec 2015)	Phase 2 (Jan 2016 – present)
Further developed internal reporting tool	Developed the SPR to a position where we propose to publish it
Put together governance, methodology, procedures, risk register; ran internal workshops	Exploring legal gateways to allow us to publish the SPR
Agreed that SPR could <u>inform</u> enforcement work, but not <u>replace</u> it	Consultation document – published on 30 June 2016
	Compliance teams have been using SPR as monthly process so they are already familiar with it

- Developing scoring methodology has been a major part of the project
- First version in 2014 and refined since
- Thoroughness, fairness, objectivity our principal concerns
- Robust governance for adding, updating and signing off scores

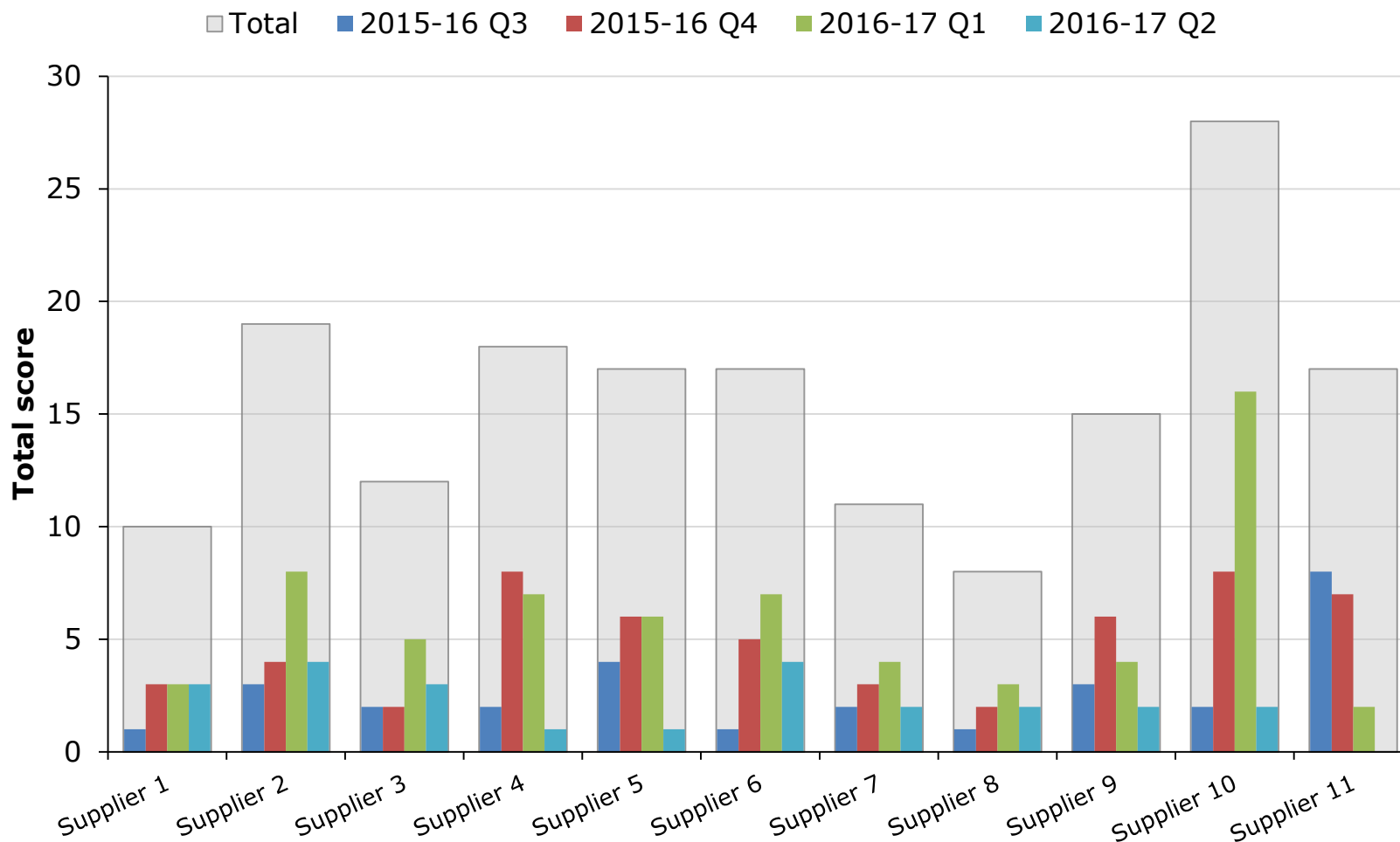


- Incidents get score of 0-4 against six categories:
 - Compliance with overall obligation
 - Meeting a deadline
 - Governance
 - Accuracy of data
 - Financial losses
 - Effect on confidence (Industry/scheme etc)
- We're scoring **non**-compliance, so 4 is the worst
- Also classify incidents into issue types and legislative/admin for reporting
- Full details of proposed scoring methodology in [consultation](#)

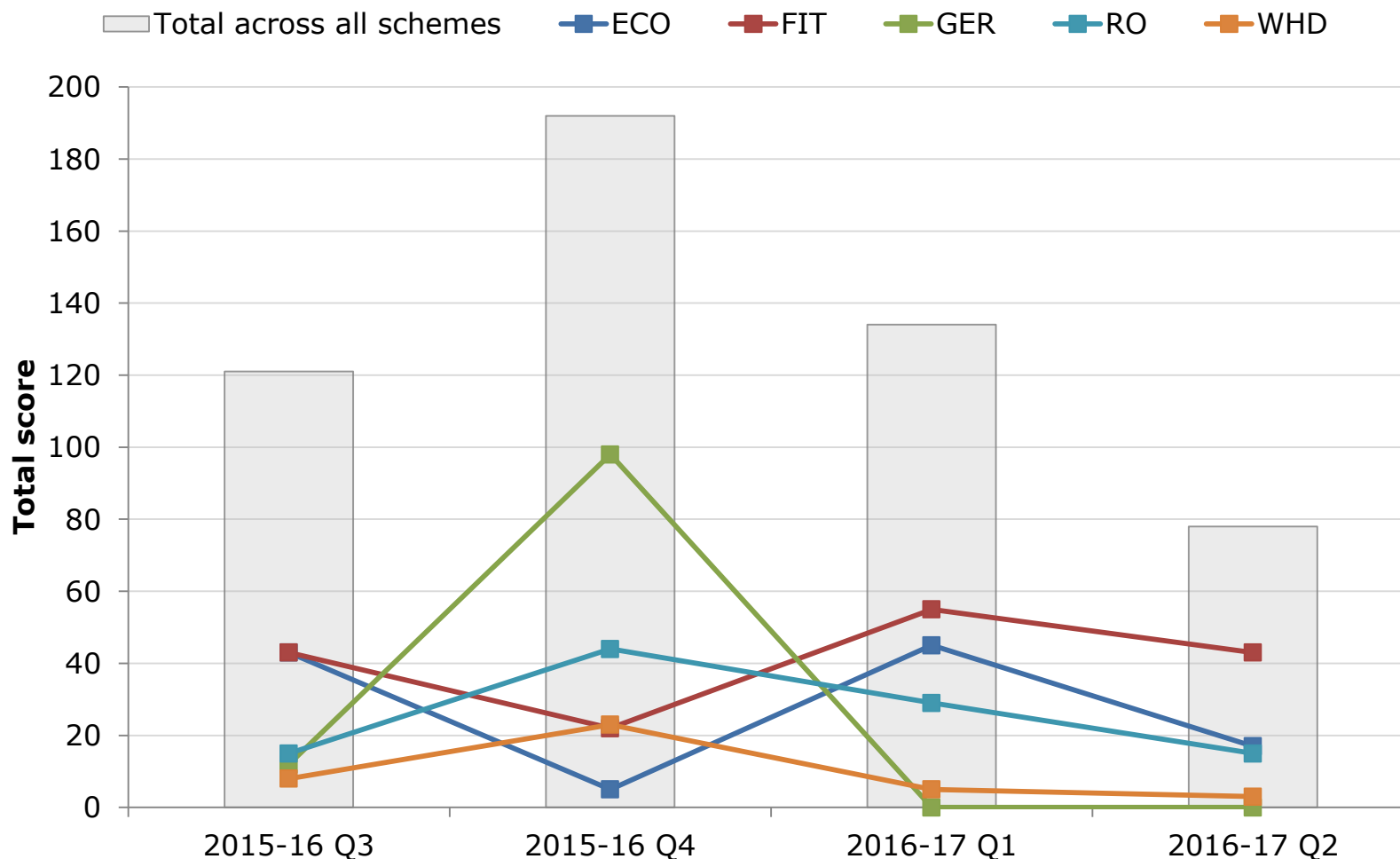
- Propose to publish charts showing scores for suppliers obligated under all schemes (currently 12)
- Also publish full data set showing all suppliers
- We will not be consciously ‘ranking’ suppliers
- Propose to update the data on our website every quarter
- Full data publishing proposals in consultation



Sample chart 1: each supplier's total score per quarter



Sample chart 2: total score for each scheme per quarter





August 2016:

- Our [consultation](#) is open until 25 August 2016
- Supplier workshops:
 - 10 Aug (Glasgow)
 - 11 Aug (London)
 - Email us if you want to come

September 2016:

- Digest feedback from consultation

Autumn 2016:

- Aim to publish response

SPR@ofgem.gov.uk



1. Do you agree with our analysis that shows that publishing the SPR will promote the interests of consumers? Please support your answer.
2. Do you agree with this method of scoring and the definitions we are proposing? If not, what alternatives do you suggest?
3. Do you agree with the data we plan to publish?
4. Do you agree with our proposed timings of publication?
5. Do you have any comments on the SPR webpage we propose?

Coffee Break

Vulnerability and the smart meter roll-out (Ofgem)

Charlotte Friel

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- The smart meter roll out – a unique opportunity to identify and engage with consumers in vulnerable situations
- What are suppliers obligated to do on vulnerability during the smart meter roll out ?
- How Ofgem plans to monitor suppliers vulnerability obligations during the smart meter roll out

The smart meter roll out presents a significant one-off opportunity to engage consumers in vulnerable circumstances:

- 53 million gas and electricity meters to all GB homes and small businesses by the end of 2020.
- Suppliers will need to make services accessible to a broad range of customers potentially in vulnerable circumstances.

Recent changes to vulnerability obligations via the Smart Meter Installation Code of Practice (SMICOP)

Recent changes to vulnerability obligations: Consumer Vulnerability Strategy definition of vulnerability was embedded into the SMICOP

“A Customer is vulnerable, who, due to their Personal Characteristics or Circumstance, or otherwise being in a vulnerable situation, may require Priority Services or additional support. Personal characteristics or circumstances includes:

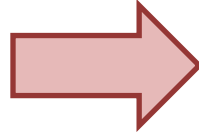
- a) the Domestic Customer being of pensionable age.
- b) the Domestic Customer being chronically sick, or having an impairment, disability, long term medical condition (including but not limited to a visual, auditory, literacy or mobility impairment), or severe financial insecurity (they are unable to safeguard their personal welfare or the personal welfare of other members of the household)”

What does this mean for suppliers?

Supply licence

Domestic:

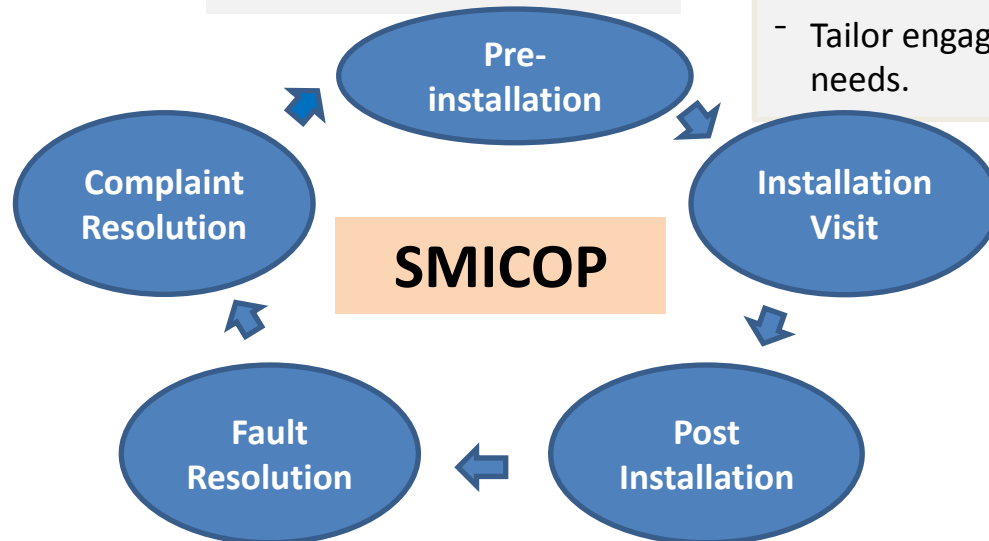
Condition 41 (Elec) & 35 (Gas)



Smart Metering Installation Code of Practice

- Vulnerability:
- Tailor engagement & accommodate reasonable installation requirements.
- Train staff to identify vulnerability.

- Vulnerability:
- Liaise with warden.
- Suitable IHD location.
- ID vulnerability and report back to business.
- Tailor engagement to needs.



Health warning: this isn't an exhaustive list – it just focuses on SMICOP. You have wider obligations that apply to treatment of customers in vulnerable circumstances.

SMICOP definition of vulnerability is now broadly aligned with proposed PSR definition

Opportunities for Suppliers to improve customer service for consumers in vulnerable circumstances through their roll out obligations:

- Identify vulnerability, and to refer back to base and enable other support services to be offered
- Tailor demonstration of new equipment, especially PPM functionality
- Tailor energy efficiency advice
- Provide communications in an accessible format and / or offer communications relating to a customer's account to a nominated person

- Existing compliance mechanisms:
 - SMICOP customer surveys (when installing > 5,000 smart meters per year)
 - Consumer complaints tracking
 - Tracking meter installations/replacements (RTS, PPM)
 - Roll out plans and progress reports
 - Social obligations reporting
- You should be thinking about how you will comply with SMICOP once you start installing smart meters and broader vulnerability requirements
- SLC changes as a result of Ofgem's PSR consultation
- Ofgem guidance note - sharing best practices on smart vulnerability

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Energy Switch Guarantee (Energy UK)

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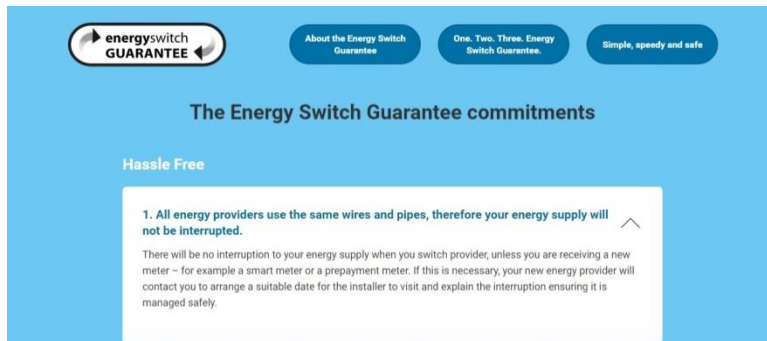
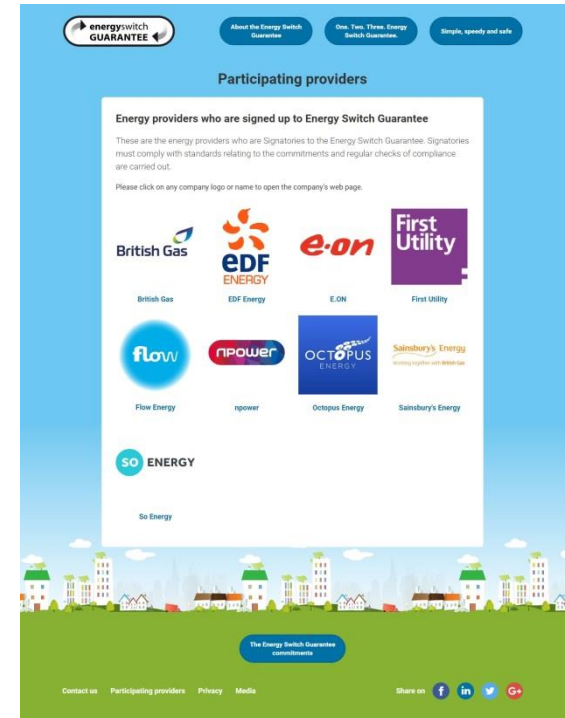
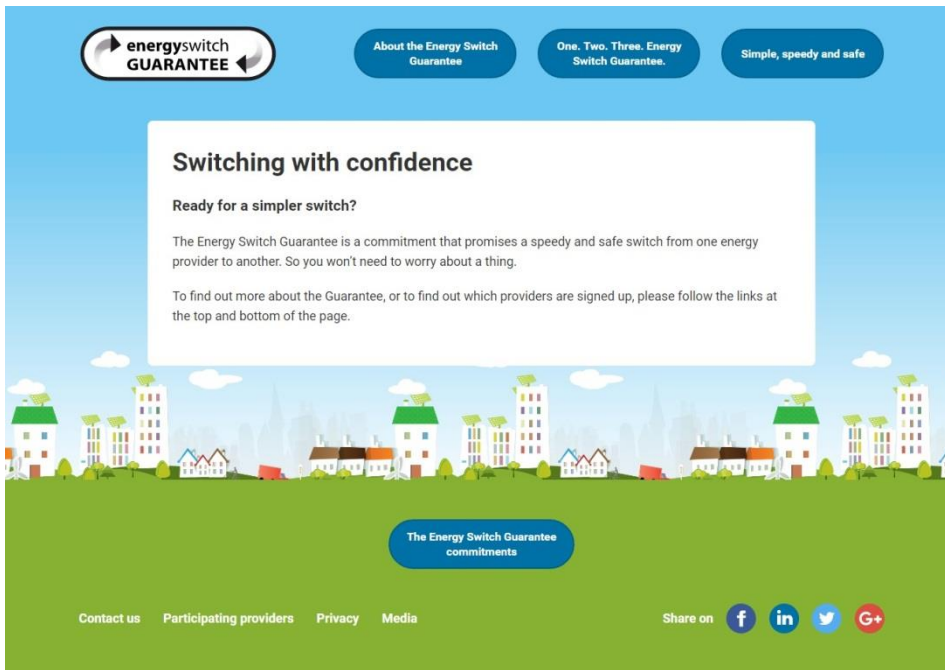
- The Energy Switch Guarantee is a set of 10 commitments made by energy suppliers, which are signatories, to promote:
 - customer confidence in the switching process
 - customer understanding of the switching process
 - customer willingness to switch
 - incidence of switching
- Suppliers need to be able to demonstrate compliance with the commitments to become, and continue to be, Signatories
- Energy UK is currently the Administrator of the Guarantee

- The Guarantee is an important customer engagement tool and is designed to give customers confidence to switch to any Signatory
- Customer research:
 - Engagement of customers who have never switched
 - Creates a level playing field for all suppliers
- The Guarantee was a government initiative and is still a key priority for the government – BIS consultation

What has happened so far?

- There was a soft launch of the Guarantee on 7 June 2016 with 9 signatories covering 70% of the market – British Gas, EDF Energy, E.ON, First Utility, Flow Energy, npower, Octopus Energy, Sainsbury’s Energy, So Energy.
- There will be a full launch in October 2016 in conjunction with the BEIS “Power to Switch” campaign
- Energy UK has received pledges from Ecotricity, Good Energy, Robin Hood Energy, Scottish Power, Utility Warehouse

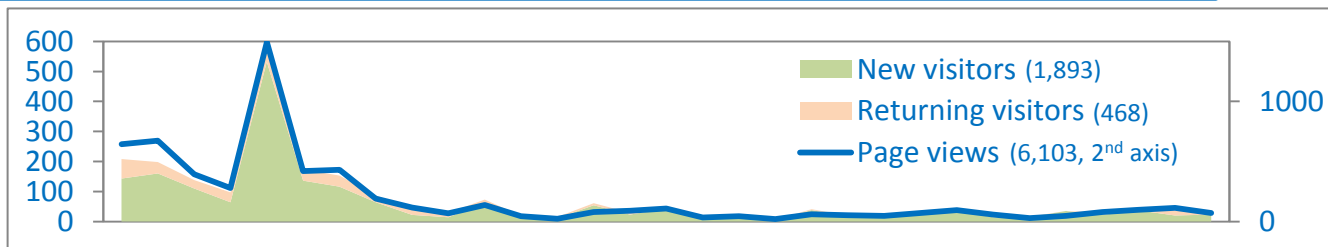
What has happened so far? – Website launched



www.EnergySwitchGuarantee.com

What has happened so far? – Media coverage and website hits

07 Jun 08 Jun 09 Jun 10 Jun 11 Jun 12 Jun 13 Jun 14 Jun 15 Jun 16 Jun 17 Jun 18 Jun 19 Jun 20 Jun 21 Jun 22 Jun 23 Jun 24 Jun 25 Jun 26 Jun 27 Jun 28 Jun 29 Jun 30 Jun 01 Jul 02 Jul 03 Jul 04 Jul 05 Jul 06 Jul 07 Jul



What has happened so far? – Comparison Websites

- Citizen's Advice, Energylinx, Which? and Confused.com highlights Signatories when listing tariffs



This supplier participates in the Energy Switch Guarantee

Gas and Electricity		Electricity Only	Gas Only			
Tariff Name	Billing	Exit Fee	Personal Projection	Payment by	Savings	
So Duck						
SO ENERGY	Paperless Billing	£10	£746.14 per year	£63.00 Monthly Fixed Direct Debit	You will save £253.86 per year	Next steps +
This supplier participates in the Energy Switch Guarantee						
Connect 7 (Fixed October 2017)						
flow	Paperless Billing	£60	£747.25 per year	£63.00 Monthly Fixed Direct Debit	You will save £252.75 per year	Next steps +
This supplier participates in the Energy Switch Guarantee						
Co-op Fix for Longer September 2017						
The co-operative energy	Paperless Billing	£60	£748.74 per year	£63.00 Monthly Fixed Direct Debit	You will save £251.26 per year	Next steps +
Fresh Fixed Price Oct 2017 v1						
extraenergy*	Paperless Billing	£60	£752.14 per year	£63.00 Monthly Fixed Direct Debit	You will save £247.86 per year	Next steps +
Premium Energy Saver						
GB energy	Paper & Paperless Billing	no fee	£752.94 per year	£63.00 Monthly Fixed Direct Debit	You will save £247.06 per year	Next steps +

What are the next steps/take home messages for Independent Suppliers?

- BEIS, Ofgem and Energy UK would like all suppliers to be Signatories and are keen to understand every suppliers position
- If you require any information Energy UK are happy to discuss any aspect of the Guarantee, compliance arrangements and consumer engagement with suppliers

Project Nexus (Ofgem)

Slot cancelled

If you have any specific questions, please contact:

Jonathan Dixon

Jonathan.Dixon@ofgem.gov.uk

AOB/General Discussion

Closing Remarks and Feedback Forms

Ofgem is the Office of Gas and Electricity Markets.

Our priority is to protect and to make a positive difference for all energy consumers. We work to promote value for money, security of supply and sustainability for present and future generations. We do this through the supervision and development of markets, regulation and the delivery of government schemes.

We work effectively with, but independently of, government, the energy industry and other stakeholders. We do so within a legal framework determined by the UK government and the European Union.