



Giulia Branzi
Ofgem
9 Millbank
London, SW1P 3GE

giulia.branzi@ofgem.gov.uk

18 July 2016

Consultation: Ofgem's proposed approach to dealing with supplier insolvency and its consequences for consumers

Dear Giulia,

SmartestEnergy welcomes the opportunity to respond to your consultation on dealing with supplier insolvency and its consequences for consumers.

SmartestEnergy has been an aggregator of embedded generation since 2001 and a supplier in the electricity retail market serving large corporate and group organisations since 2008. SmartestEnergy does not have a domestic supply licence.

Answers to specific questions:

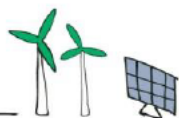
Q1: Do you agree with the approach to SoLR and energy administration set out in our revised guidance?

No. We are concerned that under SoLR Ofgem have any discretion at all to approve a claim for a levy payment where it relates to costs associated with the protection of customers who have lost a credit balance. This puts suppliers who do not have any customers in credit (E.g. I&C only suppliers) but who would have to pay into the scheme on a market share basis at a considerable asymmetric disadvantage, especially since suppliers in the I&C market have proportionately large volumes.

Q2: Do you agree with our preferred approach (option 1 - no further action, i.e. case by case use of SoLR powers) to protect consumer credit balances?

We would be particularly interested in hearing your views on the following factors in relation to each option: effects on innovation and potential barriers to entry, increased regulatory burdens, impact on customer behaviour, proportionality.

No. We prefer option 2. Given the potential unfairness of the current arrangements which we identified in our answer to Question 1 we feel that it is highly appropriate for Ofgem to introduce clear requirements to separate the assets of the consumer (ie the



smarter brighter better

SmartestEnergy Ltd Dashwood House 69 Old Broad Street London EC2M 1QS
www.smartestenergy.com

Registered in England & Wales: No. 3994598



**Marubeni
Group**



prepaid amount/credit balance) from those of the company, along with rules governing the transfer of funds from the consumer's account to the company's as energy for which the consumer had prepaid is used.

Q3: Do you consider that there is other information which would help you decide whether to volunteer to be a SoLR and on specific terms? If so, what is this information and from whom should it be sought?

As a small supplier we are unlikely to volunteer to be a SoLR.

Should you require further clarification on this matter, please do not hesitate to contact me.

Yours sincerely,

[Redacted signature block]



smarter brighter better

SmartestEnergy Ltd Dashwood House 69 Old Broad Street London EC2M 1QS
www.smartestenergy.com

Registered in England & Wales: No. 3994598



Marubeni Group