

Codes reform - the consumer perspective

**citizens
advice**

Stew Horne
Principal Policy
Manager

About Citizens Advice

Our charity was founded in 1939. Since then, we've given advice, information and support to anyone who needs it.

We help people online, over the phone and face to face through our network of local centres. Every year, millions of people turn to us. This gives us a unique insight into their needs and concerns.

We use this knowledge to campaign on big issues, both locally and nationally. So one way or another, we're helping everyone – not just those we support directly.

Representing energy consumers

Citizens Advice is the statutory representative of energy consumers in GB, also postal services and a responsibility in cross cutting consumers policy issues.

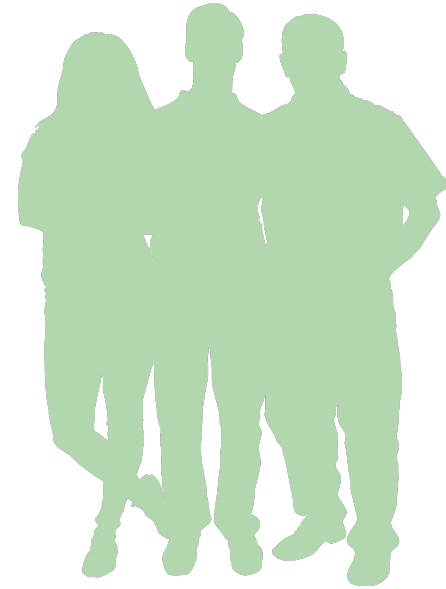
Citizens Advice took on functions between 2012 and 2014:

- also took on the national Consumer Service helpline
- the lead role in consumer education from the former Office of Fair Trading
- consumer advocacy role of Consumer Futures
- Extra Help Unit

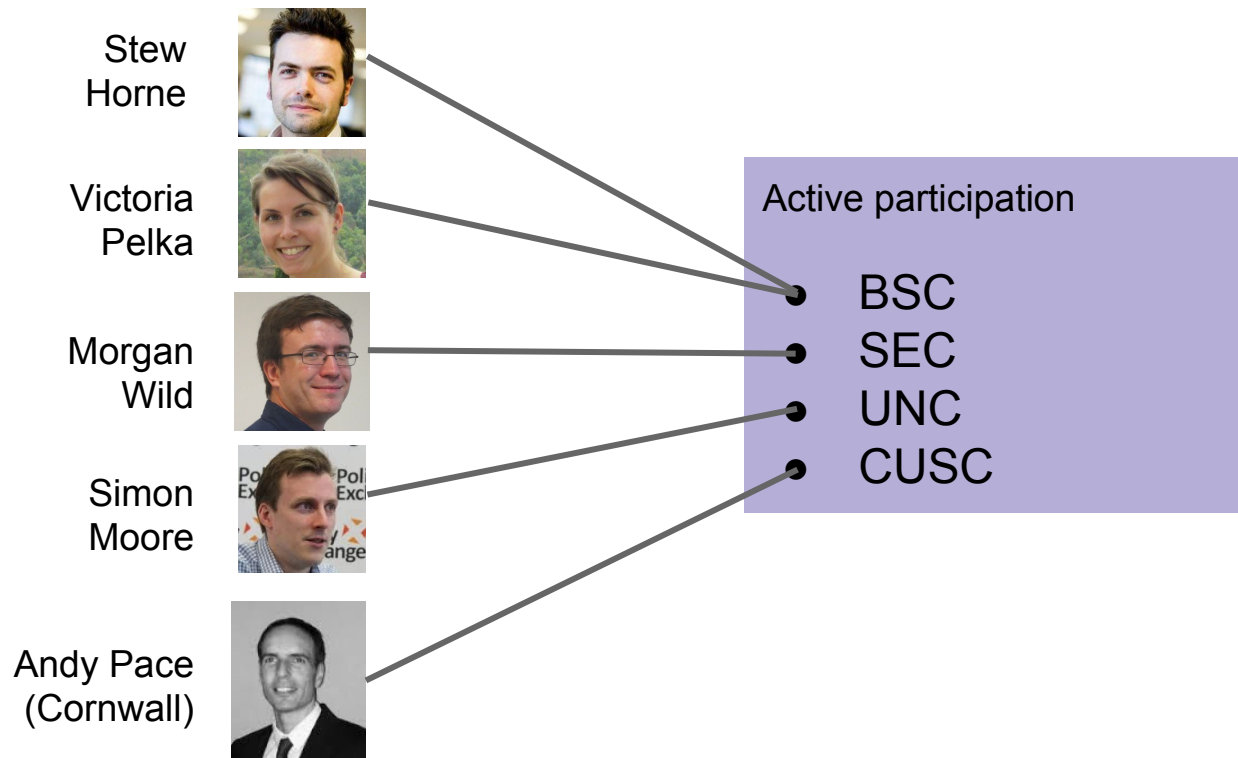


What matters to energy consumers?

- Expect to see the types of 21st century services they see in other industries (eg banking, communications)
- Benefits of smart meters & faster switching
- Changes/reforms made quickly
- Value for money



Citizens Advice engagement with Codes



Watching brief

- GC
- STC
- MRA
- DCUSA
- DC
- SPAA
- iGTUNC

Codes - what works well?

- Vehicle for collaborative development.
- Process works well and quickly for changes affecting a single code, steady state and incremental changes.
- Code bodies are very helpful and we enjoy excellent working relationships.
- Starting to see codes include analysis of consumer impacts in modification reports, which helps to align objectives.

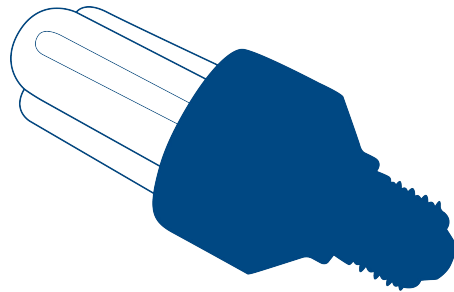


Reform needed to meet challenge of future dynamic and decentralised energy system

- Strategic change can be difficult to achieve
- Smaller firms and new entrants struggle to engage
- Consumers benefits can be put at risk by lack of change/industry inertia
- Important reforms get delayed, and so consumers benefits delayed
- At times incentives do not align between different parts of industry

Some examples

- Locational Charging
- Cash out reform
- Smart meter roll out
- Embedded benefits
- Project Nexus



Initial views on Ofgem's key proposals

Consultative board

- Welcome - important to get strategic engagement, and set vision, across codes
- Increase ability for other parties to engage (consumer groups, small firms, new entrants) with Codes governance

Strategic direction

- Welcome - important for driving strategic change across Codes
- Provide clarity on priority issues to code bodies, align objectives with Ofgem's priorities

Licensing

- Risks and benefits of licensing code bodies not clear yet
- Timing and sequencing of licensing key at a time of significant change across the industry (smart roll out, faster switching, half hourly settlement)



Presented by: **Stew Horne**
stew.horne@citizensadvice.org.uk
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