



Ofgem
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By email: fwp@ofgem.gov.uk

Ofgem Forward Work Programme 2019-21

We're Green Network Energy - a growing supplier that predominantly serves the domestic market in Great Britain (GB). We're part of Gruppo Green Network S.p.A. who are well established in the Italian energy market and are using this experience to grow a sustainable, customer centric business within the GB market.

We welcome Ofgem's Forward Work Programme (FWP) and the decision to extend the period that it covers to 2019-21. The FWP is an essential tool in helping us to plan for the future. We believe this could be developed further by providing a road map or timetable setting out project/change milestones. We note that this was done previously in the 2017/18 FWP.

Overall, we support Ofgem's priorities to improve the retail market, to facilitate changes to the energy system, develop the networks and to strive for excellence in its statutory functions. We have set out specific feedback in the annex below on several of the activities set out in the FWP and two further areas for consideration.

If you require anything further, please do not hesitate to contact Samuel Arnold on 07468 494 721 or s.arnold@greennetwork.co.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read "Pietro Di Maria".

Pietro Di Maria

Chief Operating Officer

Annex

Feedback on FWP areas

Supplier licensing review

We welcome the supplier licensing review and the proposals to raise the bar in attaining a supply licence.

As stated in our response to the Supplier Licensing Review consultation, we hold a strong belief that there should be no restrictions on using credit balances as working capital. Imposing maximum limits on credit balances and restricting suppliers from using credit balances as working capital will severely limit our and other suppliers' ability to operate. We use credit balances to buy energy in advance which allows us to offer customers fixed prices for their energy use. This benefits customers by mitigating the impact of wholesale market price changes and the likelihood of bill shock. Furthermore, spreading the cost of a customer's energy use over a year also helps to reduce bill shock by enabling customers to pay a consistent amount each month.

While a significant number of suppliers have exited the market recently creating additional costs to industry, the likelihood of these events occurring should decrease with the proposals under the licencing review. We believe that Ofgem should instead consider other ways of recovering the cost of honouring account balances, such as through parent company guarantees or a general industry levy to create a sink fund for unexpected industry costs.

Strategic review of the micro-business retail market

We welcome the review of micro-business retail market. Despite some market intervention since the CMA review of the energy market, the non-domestic market remains opaque, particularly where customers use third parties. We believe there is a need to consider replicating the domestic informed choices principles with non-domestic suppliers to ensure that suppliers and their representatives act in a transparent and fair manner when selling and marketing contracts to their business customers.

Development of vulnerability and consumer policy

We support the proposals to develop the vulnerability strategy. The energy market is rapidly transforming in terms of technology, data and new business models. It's essential that customers in vulnerable situations and customers who are least able to engage are not left behind.

Data services for disengaged consumers

While in general we welcome proposals that support consumers to engage and increase their ability to access the best energy deals in the market, this must not be done in a way that could be detrimental to consumers from a data protection perspective. Customers must provide consent otherwise there is risk that any correspondence they receive will result in damaging their confidence in engaging in the energy market.

Switching Programme

We support the aim of the switching programme to improve customers' experience of switching. However, it is essential that in improving the speed of switching, it does not undermine reliability of

the switching process. There also a need to allow enough time to fully consider all the implications of increasing the speed of switching for both customers and suppliers, and how these will interact with other programmes such as the smart roll-out and the Guaranteed Standards for Switching.

Other areas for consideration

Price comparison websites

One key area that we believe Ofgem must investigate is how to regulate price comparison websites (PCWs). PCWs play a significant role in the domestic supply market and should therefore be regulated and monitored to ensure that they are acting in the best interests of customers. The FCA has protections in place for financial products sold in this way, and we believe the same level of protections should be in place for energy customers.

Supplier engagement

We strongly believe there's further work to be completed in rationalising and reviewing the consultation and Request for Information (RFI) process across industry. Currently we receive regular and ad-hoc RFIs from Department for Business, Energy and Industrial Strategy (DBEIS), Ofgem, DCC, CMA and Citizens Advice. As a small supplier, the responses to the RFIs can have great impacts as often we do not have the levels of resource available to collate the information required without constraining our business as usual activity. Indeed, we often receive multiple requests from different organisations at the same time that require input from the same team.

This also makes responding to consultations difficult. At Green Network Energy, we're eager to be part of the energy debate and help shape the future energy market. However, we are unable to have the level of resource required to respond to every publication and attend every workshop/event. Consequently, we and other small suppliers who collectively hold a significant number of customers within the energy market are not able to contribute to policy making decisions.

The independent supplier forums are a useful event for Ofgem to engage with suppliers on proposed changes, but currently these are too infrequent to enable suppliers for effective input into decision making. We believe that these could be held on a more frequent basis to help ensure all suppliers are getting the information that they need and are able to contribute to the decision-making process.