



Response: reviewing smart metering costs in the default tariff cap

Executive Summary

- Bulb supports the price cap overall, and so we oppose any rise of the cap. We are in favour of energy consumers paying a fair, cost-reflective price for energy.
- We continue to offer our members a competitive rate below the ceiling that Ofgem allows under the price cap.
- Instead we recommend smart meter installation costs are recouped from future cap calculations.

Full response

Bulb understands that the smart meter rollout has not progressed at the same speed as it was originally projected. BEIS has only just published clear guidance on the policy direction after 2020, while COVID-19 and the lockdown has further slowed uptake and installation. The proposed revisions by Ofgem reflect this uncertainty.

Bulb agrees with Ofgem's proposal to recalculate smart metering costs and not allow suppliers to charge customers twice for smart meter costs that suppliers have recouped from an earlier price cap than when the consumer actually got their smart meter. We also agree that any price cap methodology should avoid giving extra funding to suppliers that rolled out smart meters at a faster pace early on, as this advantages the incumbents. The price cap is designed so consumers should at least pay a cost-reflective price for their energy. It is not cost reflective for a supplier to charge a customer multiple times to fund their smart meter roll-out.

Ofgem should correct any instances where 'advance' payment for smart metering has happened by adjusting future price cap levels. Given uncertainty around Covid-19, these corrections should take place from April 2021.

About Bulb

We are a technology-led B Corp energy supplier providing renewable energy to homes and businesses across the UK. The Bulb community is now over 1.6 million members strong, all of whom are on our single tariff which provides 100% renewable electricity and 100% carbon neutral gas. Through investing in technology to reduce costs, Bulb is able to supply renewables at prices around 20% lower than standard Big Six plans, making Bulb one of the cheapest suppliers in the market - renewable or not. For more information, please contact Ilana Lassman, Bulb's Policy Manager, at ilanalassman@bulb.co.uk.