

Response to Utility Regulator of Northern Ireland

Improving the Non-domestic Consumer Experience

Electricity Association of Ireland

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A decarbonised future powered by electricity

Electricity Association of Ireland

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The Electricity Association of Ireland (EAI) is the representative body for the electricity industry and gas retail sector operating within the Single Electricity Market (SEM) on the island of Ireland.

Our membership comprises utilities that represent 90% of generation and retail business activities and 100% of distribution within the market. Our members range in size from single plant operators and independent suppliers to international power utilities. Our members have a significant presence in Ireland, Northern Ireland and Great Britain across the sector value chain. We represent the interests of the all-island market in all relevant jurisdictions, including the EU via our membership of the European electricity representative body Eurelectric.

We believe that electricity has a fundamental role in providing energy services in a decarbonised, sustainable future, in particular through the progressive electrification of transport and heating. We believe that this can be achieved, in the overall interest of society, through competitive markets that foster investment and innovation.

We promote this vision through constructive engagement with key policy, regulatory, technology and academic stakeholders both at domestic and EU levels.

Our ambition is to contribute to the realisation of a net-zero GHG emissions economy by 2050 or sooner, in order to limit the impact of rising temperatures. Electricity offers opportunities to decarbonise the Irish economy in a cost-effective manner.

Introduction

The Electricity Association of Ireland (EAI) welcomes the opportunity to respond to this consultation on Improving the Non-domestic Consumer Experience. Following discussion with our members on this paper, the EAI is happy to provide the following comments.

Mandating Suppliers to Publish Small Business Tariffs

EAI believes that mandating suppliers to publish small business tariff rates directly on their websites would introduce unnecessary complexity to the existing process. Currently, suppliers are required to provide their pricing information, including small business tariffs, to the Consumer Council for Northern Ireland (CCNI), which then makes this information available through its price comparison tool. This system already ensures that customers have access to a comprehensive, central and standardised platform where they can easily view and compare the different tariffs available in the market. Requiring Suppliers to publish their tariffs on their individual websites may drive non-domestic customers away from the CCNI's central source which would not be of benefit to those customers.

Additionally, EAI is aware that such tariffs are often negotiated through brokers and are dependent on an individual businesses' consumption or preferences. By mandating all tariffs to be published on a Supplier's website, there is a risk that certain customers may think they are eligible for tariffs when they are not.

Therefore, EAI recommends that Suppliers should not be mandated to publish these tariffs.

Prepayment Meters for Non-Domestic Customers

EAI believes that the installation of prepayment meters for non-domestic customers to assist with debt management would be unfeasible as there are two separate VAT rates for domestic and non-domestic customers, which are 5% and 20% respectively. Prepayment meters are generally not designed to dynamically adjust for changes in VAT rates in real-time. Most prepayment meters are set up to charge based on a fixed rate tariff that includes VAT. Where multiple rates exist, as is the case in Northern Ireland, the meter may not automatically update to account for those differences without manual intervention by the service provider or a complex reprogramming of the meter.

Furthermore, complications could arise when customers opt to set up a working office at home in a work-from-home arrangement. In this scenario, the use of prepayment meters might face challenges in accurately adjusting for different VAT rates that apply to business-related energy consumption versus personal use.

There may also be scenarios in which a business runs out of credit and their operations are halted with potential health and safety issues arising associated with equipment or machinery shutting down. Therefore, EAI believes that prepayment meters are not appropriate for non-domestic customers and that this measure should not be pursued.

Mandatory Statement on Bills

EAI believes that it should not be mandatory for non-domestic consumer bills to include a statement informing customers that they may not be on the cheapest tariff, along with information on how to switch. The current Code of Practice already requires suppliers to inform customers of the availability of other offers and includes a direct link to CCNI, where a list of alternative tariffs can be accessed. This approach provides businesses with the necessary information while respecting their individual circumstances.

It is important to note that non-domestic consumers, unlike residential customers, are typically managed on a case-by-case basis, which means their energy requirements, consumption patterns, and pricing structures often differ. To implement this measure would not reflect the complexities of the non-domestic market.

Maximum Notice Periods on Deemed Contracts

Customers coming to the end of fixed term contracts receive notifications in advance to make them aware of change in rates and the alternative contractual options available to them. If they choose to move to out-of-contract rates or shop around for an extended period, suppliers will continue to serve these customers and therefore a reasonable notice period should be retained in this circumstance.