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Dear Lauren,

RE: Consultation on proposed measures for Improving the Non-domestic Consumer Experience

Electric Ireland welcomes the opportunity to respond to the consultation paper on proposed measures for Improving the Non-domestic Consumer Experience, which seeks views on measures to improve the market for the non-domestic consumer, ensuring fair engagement and outcomes.

Electric Ireland supports the importance of ensuring Northern Ireland's consumers are protected and supported, both in the present market and in the future on the path to Net Zero. Consumer protection for our non-domestic customers, remains a priority for Electric Ireland, and is an area of continuous improvement.

We have outlined our responses to each of the questions and measures in the consultation paper in the subsequent pages. In forming our response, we have reflected on pre-existing measures in both the domestic and non-domestic markets, as we recognise many of the measures align with what currently exists in the domestic market. We have shared our views on the differences between the domestic and non-domestic market, the key considerations for each measure, and where appropriate, we have provided alternative suggestions which we feel would achieve similar outcomes.

We welcome any comments and further engagement with the UR.

Yours,

Philip McGrady

Philip McGrady
Regulation & Compliance Manager
Electric Ireland NI

El Responses to Questions and Standards

Question 1. What are your views on the suitability of the scope of coverage for these measures applying to small business defined as annual consumption of 0-50MWh for small Industrial and Commercial (I&C) electricity customers and 0-73.2MWh for small I&C gas customers?

Response: Electric Ireland agrees that the scope of coverage is suitable for both electricity and gas customers.

Question 2a. Should suppliers be mandated to provide transparent price information for small businesses on their website? If so, please describe what format should this take? Please provide a clear rationale to support your answer.

2b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement / Code of Practice / guidance document).

2c. Do you think that this required pricing information should include standing charges, unit rates and all other associated charges per electricity meter and gas meter, which is available for a Small Business Customer to enter into a supply contract?

Response:

2a. In general, Electric Ireland supports pricing transparency across the sector, facilitating small businesses to make better informed decisions in relation to their energy supply, in the market where competition is supported. However, we do not consider that mandating that suppliers provide this information on their website is the most effective means to support pricing transparency, both now and in the future.

There are a few factors that should be taken in consideration in relation to this point:

1. The Consumer Council NI already provides a Business Electricity price comparison tool and there are processes in place across suppliers to support this solution. It is understood that usage of the tool is much lower than what would be desired, and we consider it important that consumer feedback in relation to the tool is reviewed to understand any challenges in terms of sharing pricing information and maximising value for customers.
2. B2B pricing can vary depending on the customer's annual consumption and can change regularly depending on the type of product that a customer is on. Many consumers may not be aware of the consumption trends and as a result they value the engagement with the supplier to assess their energy needs and identify best available tariff for them.
3. Making it a mandated requirement to provide pricing information on the website could potentially create the risk that future tariff innovation could be stifled. Looking at a future with Smart-Metering in place, products that include dynamic or time in use pricing, could be complex to make available on the website, given the dynamic nature of the pricing and any requirement to publish the pricing information may create a barrier to launch such tariff.
4. Any changes to the website typically require IT change to design, implement, and test the change to the website, which incurs an operational cost each time a change is made.

2b. NA

2c. If it is mandated that suppliers are required to provide transparent price information on the website, we consider that this should only relate to a Standard Variable Tariff for fixed rate products and include all electricity and gas supply charges.

Question 3a. Should energy suppliers be required to publish information on their websites sign-posting non-domestic consumers to relevant support and advice services? Please provide reasoning to support your answer.

3b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response:

Electric Ireland supports the process of signposting relevant support and advice agencies on our website and other channels, where this adds value for the consumer.

There are a number of factors that should be taken in consideration in relation to this point:

1. Unlike in domestic, there is a lower volume of support services available for B2B consumers, and some of the services in the market require a fee to avail of the relevant advice and support.
2. Despite our support of signposting, we are unable to provide comment on the willingness of any relevant agencies to support this initiative.

3b. If suppliers are required to publish information on their websites sign-posting non-domestic consumers to relevant support and advice services, we consider that this would be best managed through a guidance document or Code of Practice amendment to give the maximum flexibility in sculpting a measure that adds value to customers and which may be adjusted simply where needed, over time. We would welcome the opportunity to consult on any such proposal to ensure that we have had the opportunity to consider the implications and to consider any impact on our customers.

Question 4a. Should non-domestic consumer bills include a standard, mandatory statement stating that the consumer may not be on the cheapest tariff and information on how to switch? Please provide a clear rationale to support your answer.

4b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

4c. Are there any other publications that you would suggest this statement be included in? Please provide a clear rationale to support your answer.

Response:

4a. Electric Ireland supports competition in the NI B2B energy market and recognise that competition can enhance the potential opportunities for consumers to shop around to ensure they are getting value from their energy supplier.

Whilst we recognise the intent of including this statement on a consumer's bill, we consider that this new statement would add no further value to consumers vs. what is already in place and poses a number of risks to consumers, suppliers and the market.

We consider such a statement suggesting that customers may not be on cheapest tariff is misleading and unhelpful to customers, especially customers who are in a contract and not in a position to switch suppliers. Whilst we recognise that this statement is intended to prompt consumers to question if they are maximising value with their energy, this could

generate doubt and fear with consumers. Additionally, the 'call to action' in the statement is implying that if consumers have any doubt in relation to their tariff, they should look elsewhere to maximise value. We consider this a misleading as consumers may currently be maximising value with their current supplier. This statement could also lead to an increase in switching rejections and/or the application of exit fees should a consumer initiate a switch whilst in contract.

Price is also only one of many factors that consumers consider when determining what is best value for them and the proposed statement focuses solely on price, and as an energy supplier we are focussed on providing a complete service to our customers. Additionally, suppliers are also unable to know in real time what the cheapest tariff is in the market should a consumer raise any questions in relation to their tariff. We consider that this statement, that focusses solely on price, could create unintended consequences on the market, driving a narrowed focus on low pricing potentially at the risk of service. Should the market transform to be primarily price focussed, this could create risks with financial stability for energy suppliers, particularly any new entrants, who already operate with low margins.

Another consideration is that there are many mandatory requirements of what needs to be included on customer bills as outlined in the Billing Code of Practice, and current bills are limited in space as a result. There is already a statement outlined on the bill, providing guidance on the customers right to change supplier, which is a requirement of the Billing Code of Practice, and we consider that this new statement would add no further value to consumers vs. what is already in place. Incorporating any further information would be challenging to accommodate and could risk saturation of content on the bills and detract from the important messaging on the bills at present.

Finally, our focus as a supplier is on building customer relationships and our bill acts as a means to both provide information to customers, but also supports in developing the customers' relationship with the Electric Ireland brand. We consider including a statement, that could be received by customers that their current tariff is expensive, and they should look elsewhere, as a potential conflict in building meaningful relationships with our customers. We remain supportive in making consumers aware of the resources available in the market to compare prices across suppliers, informing them that they can choose alternative supplier and that we are here to support them as they can contact us at any time as they may be able to avail of a better tariff with ourselves.

4b. NA

4c. Electric Ireland considers an alternative and fairer approach would be to ensure signposting to the CCNI Business Electricity price comparison tool, which provides tariff information across suppliers, is included on bills. This tool is a valuable resource in promoting competition in the market and facilitating consumers to make informed decisions on a level playing field.

Question 6a. Should notice periods under deemed contracts be prohibited? Please provide reasoning to support your answer.

6b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Response:

6a. Electric Ireland supports this requirement and currently any customer on a deemed contract is: (1) not tied into any fixed term contract, (2) does not incur any exit fees should they opt to switch to another supplier, and (3) are not required to provide any notice. The only period that applies to customers who are wanting to switch away are the applicable market switching timeframes. A customer can switch away from Electric Ireland subject to these timeframes, assuming the satisfactory payment of their energy charges.

6b. Electric Ireland considers that this measure would be best implemented as a licence requirement under Condition 28.

**Question 7. Should the feasibility of an electricity prepayment meter solution for non-domestics be further explored?
Please provide reasoning to support your answer.**

Response:

Electric Ireland supports a feasibility assessment of electricity prepayment meter solutions for non-domestic consumers. We consider any potential solution could prove helpful from perspective of supporting customers in the repayment of debt.

There are a number of considerations we feel should be assessed in any potential feasibility assessment including:

1. The review should look at prepayment solutions from the future Smart Metering landscape and consider the remote interoperability of meters.
2. Unlike in domestic, many businesses are on different VAT rates, and this may pose a challenge in terms of processing PAYG payments and refunds.
3. The delivery of PAYG statements will be important for businesses to process their year-end taxes which may require changes to how suppliers currently bill non-domestic customers.
4. Many businesses make payments via bank transfer which is not a method currently supported in the residential PAYG market solution. A review of payments methods and the associated risks should be considered as part of the assessment.
5. Updating or implementing contractual relationships with meter providers and payment solution providers to support the B2B market could be complex. Additionally, if any future prepayment solution had low adoption or low penetration potential, the value of the contracts could be low and not desirable to vendors.

Electric Ireland would welcome any future research and studies by the UR in relation the prepayment solutions for non-domestic consumers, and any future consultation on the topic.

Question 8. Are there any other additional measures to enhance the operation of the non-domestic retail energy market which respondents think should be considered as part of this consultation process?

8b. If so, please describe the measure and how it could be implemented (for example CoP/ licence modification/ guidance document)

Response:

Electric Ireland considers there is a role to play by the UR in conducting a review of the various regulatory frameworks, policies, and Codes of Practice, to identify where simplification could be delivered. Suppliers design products, processes and services for customers that are compliant with these policies, and we consider that any additional measures may add further complexity to minimum requirements to operating in the NI market. We consider there may be opportunities to enhance the operation of the non-domestic retail energy market and remove barriers to innovate through a full review of the existing frameworks, policies, and Codes of Practice.