To be completed by 5pm 12-12-2024

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?

In view of the size and structure of the non-domestic utility sector in Northern Ireland, the scope of coverage for these measures are appropriate to apply to small businesses.

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.

Although not unimportant to small businesses the owners/management of such small organisations are predominantly focussed on operating their core business activities and consequently will "struggle" to investigate several energy supplier web sites to establish the most appropriate tariffs and contracts.

Ideally, a central web site where all licenced suppliers should deposit their offerings to small businesses should be established, supported by either the Regulator or a third-party neutral comparison website.

Failing this, the key elements of any tariff that suppliers offer this particular segment must be defined and laid out in a clear and simple structure to allow small businesses to download and compare competitive products.

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

Licence requirements are the only mechanism that will ensure that such legislation is robustly enforced. Guidance documentation and promotion of such legislation will also be required.

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?

Such information will be required in order to facilitate competitive tariffs and contracts. However, such regulations should not prevent suppliers from offering/targeting unique and tailored products to particular segments in the small business segment. Such products could involve procurement of Green energy, low cost energy, time of use tariffs etc....

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.

To facilitate quick and simple comparisons of competitive tariffs such information should be available on supplier websites.

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

Such information could/should be covered by Code of Practice with compliance reviewed on a regular and not infrequent basis.

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.

Such a requirement could lead to serious complications in ensuring what constitutes the "cheapest tariff," particularly when seasonal time of use tariffs are being compared made more complex by what size and shape an end-user's profile might look like.

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

Clear examples/models of what a tariff might cost over a year using pence per KWh and typical non-energy costs against a single or day/night rate could help end-users comprehend the financial implications of adopting a particular tariff.

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

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Question 5a. Should there be a requirement for suppliers to provide non-domestic consumers with clear information around when the security deposit will be paid back to them, and require the supplier to confirm if there are alternative measures or options available other than the deposit? Please provide a clear rationale to support your answer.

Security deposits have been the main stay of reducing risk of non-payment of utility bills to suppliers for decades. Unfortunately, for virtually all businesses that have a poor credit rating cash will be in short supply and providing typically 3 months of energy costs in advance is a major issue. The situation is accentuated when suppliers do not repay deposits in a timely manner.

Billing non-domestic customers is almost universally undertaken on a monthly basis and typically by direct debit. Security deposits should be returned to the end-user by no later than the end of the month after the supply contract has expired and the final bill issued. However, delays in repayment are common.

End-users may find it less onerous if at the point the final bill is due to be paid, the incumbent supplier deducts this amount from the security deposit and returns the remainder to the customer as part of a single account closing transaction. Such activity should return money to the client within 10 working days of the month end unless there are queries over bill validity.

Where cash is in very short supply some suppliers have accepted a rolling prepayment mechanism with a 6-week security deposit paid in advance at the payment of the relevant

month's bill. Thus, halving the financial impact of the 3 month security deposit. However, as disconnection is a relatively slow and complex process, this methodology will put the supplier at significant risk.

Smart prepayment meters are a relatively new aspect to resolving this problem. However, it brings a number of other complexities which will be addresses later in this response.

5b. If yes, how do you suggest that this measure should be implemented? (For example, licence requirement/ Code of Practice/ guidance document).

Suppliers should have a regulatory requirement to re-pay security deposits with the timescales mentioned above. Failure to comply should involve financial consequences for the supplier and not insignificant compensation for the end-user. All of this information should be clearly stated with any and all supply contracts.

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

Deemed rates are typically justified by suppliers as the "penalty or cost" of dealing with an end-user who does not have a valid contract and consequently the supplier cannot hedge their forward requirement with any real certainty. If the percentage of customers on deemed rates is relatively small this should not materially impact any suppliers hedging strategy.

Furthermore, "supplier switching" has a timescale set by the industry's agreed procedures and an incumbent supplier will be given sufficient warning of any impending customer loss.

Therefore, notice periods for deemed customers should be prohibited.

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

A licence requirement should be introduced.

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

"Smart" prepayment meters for small businesses have been utilised within the GB market for several years. They represent a significant benefit to those businesses that cannot afford the typical 3-month security deposit and they almost zero supplier risk of bad debt.

However, self-disconnection with prepayment meters is a major issue for the operation of any business and anecdotal evidence exists that illustrates some suppliers have not provided this technical support and that significant regulation to prevent "abuse" of the end-user is required.

Issues that have occurred in the GB market include some suppliers not;

- **Advising clients that their credit meters are being changed to prepayment on the pretext of a "necessary meter change."**
- **Advising clients that prepayment meters will be installed even during a client query over billing accuracy which has led to the apparent debt situation.**
- **Providing comprehensive if any support on using such a meter including how to use emergency credit.**
- **Warning that "self-disconnection" is automatic and can occur at anytime of the day or night leading to, for example food storage and other equipment defrosting and damaging stock.**
- **Illustrating possible health and safety issues during operation of any and all processes in each business type.**

Question 8a. Are there any 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?

The following issues are a short summary of key comments recently made in relation to the NI utility market by MEUC members.

Non-energy Costs: There is a unanimous view within larger end-users that the publication of non-energy costs for the coming year is wholly unacceptable, particularly when some increases have been very significant. End-users with multi million energy bills have and continue to be unable to budget year ahead with any certainty when costs are being published almost a matter of days before being implemented.

As RP7 has been agreed (October 30, 2024) for April 2025 to March 2031 it would be very helpful if the impact on key non-energy costs could be modelled for the next 5 years for larger end-users. Appreciating that issues such as inflation etc.... will have an impact on future costs indicative costs with a reasonable level of contingency would facilitate a significant reduction in "risk" and deliver a virtual benchmark when forecasting energy budgets for larger users.

The fact that in the GB market all DNOs must provide their future costs 15 months ahead of implementation should be the target for NIE.

New Connections: The recent proposals on the NIE's "Hub strategy" is very welcome.

However, it appears that with the challenging plans that NI overall is facing with the drive towards net zero, major end-users are concerned that "bureaucracy" within the NIE planning process is a major barrier/constraint to effective development of existing business activities.

There is a need for a less "formal" initial approach to requesting information on the feasibility and impact of any corporate project in relation to NIE's plans, both in time and investment in DNO and transmission infrastructure reinforcement and new connections.

Supplier Communications: There is a concern that communications between major end-users and their energy suppliers are not sufficiently robust, particularly with regard to more complex issues such the ETII. The effective implementation of such schemes require more than

delivery of information to utility suppliers who frequently do not have the size and depth of resources available to effectively educate end-users in the requisite processes.

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

Non-energy Costs: Improved reporting performance requires a licence modification.

New Connections: There is a need for a less "formal" initial approach to requesting information on the feasibility and impact of any individual corporate project in relation to NIE's infrastructure plans. This requires organisational restructuring at NIE supported by relevant guidance documentation.

Supplier Communications: When and where significant new energy initiatives are being introduced by the Government or Regulator the level and complexity of the proposed changes needs clear understanding and evaluation in order to plan for its effective introduction and implementation by those stakeholders involved.