

CONSULTATION ON MARKET CHANGE REQUEST 5005

New Retail Market Procedure – MP NI 40

ESB Independent Energy (Northern Ireland) Limited t/a Electric Ireland is a licenced electricity supplier operating in Northern Ireland since 1999, and we welcome the opportunity to provide a response to the Utility Regulator consultation on **Market Change Request 5005**.

Electric Ireland has notified the industry of its intention to voluntarily exit the Domestic electricity retail market sectors (*Credit & Keypad*) but remain active in the Commercial/Industrial electricity retail market sectors (*Interval, non-Interval and unmetered*) in Northern Ireland. A voluntary partial market exit mechanism does not currently exist within the Market Registration Code (*MRC*), nor is it addressed in any existing market procedures. Neither is there a mechanism within the *MRC* to allow an Exiting Supplier to carry out a bulk transfer of a specific market segment of their customer base to another supplier.

Electric Ireland supports the introduction of the proposed mechanism outlined in *MCR 5005*, which offers all active licensed electricity suppliers an additional, structured option to voluntarily exit a market segment.

This procedure complements the existing, more comprehensive licence revocation and *Supplier of Last Resort (SOLR)* process and is expected to contribute positively to the continued orderly operation of the Retail Market.

Importantly, this mechanism also offers benefits to the affected cohort of customers. By enabling a planned and phased approach to market exit, it allows for appropriate advance notification and communication with customers, thereby supporting informed decision-making and preserving customer choice prior to the withdrawal of the exiting supplier.

Q1: Do you agree with proposal outlined in MCR 5005 and the proposed creation of a new market procedure (MP NI 40)? Please provide rationale.

Response:

Electric Ireland supports the proposal set out in *MCR 5005* and the introduction of the new market procedure *MP NI 40*.

The introduction of this new market procedure will provide market participants with an additional, structured option to voluntarily exit a market segment in a controlled and orderly manner. This, in turn, facilitates the seamless transfer of customer accounts to an alternative supplier, thereby supporting continuity of service and consumer protection.

MP NI 40 is designed as an enduring mechanism that brings added certainty to the market. Unlike the broader *Supplier of Last Resort (SOLR)* process, this procedure offers a more targeted approach by enabling the transfer of a defined subset of customer data, rather than the full data set. This distinction enhances its suitability for specific market exit scenarios while maintaining alignment with existing market frameworks.

It is capable of being managed, planned and scheduled in a time horizon that suits the participating parties (Exiting Supplier, New Supplier, NIE Networks & MEPCT) and facilitates orderly and successful transfer of customers between the Exiting and New Suppliers.

The availability of this additional market procedure may help to reduce the likelihood of abrupt supplier withdrawals from the retail market. By providing a structured and voluntary exit route, it may also lessen the need for the Utility Regulator to initiate licence revocation and *Supplier of Last Resort (SOLR)* processes in urgent or unforeseen circumstances.

This structured approach enhances market stability and provides a clear pathway for suppliers considering a partial market exit.

Q2: Are there any steps within *MP NI 40* that require amendment or clarification? Please provide rationale for any changes.

Response:

Electric Ireland does not consider it necessary to amend or clarify any of the steps outlined in the proposed procedure. The steps are logically structured, sequential in nature, and consistent with the format adopted in other established market procedures, notably *MP NI 4 (Supplier of Last Resort)*. Furthermore, the procedure employs terminology and language that are well established within the industry and aligned with those used across existing market documentation.

Q3: Are there any additional consumer protection provisions that should be added to *MP NI 40*, or considered alongside the procedure, to prevent customer consumer detriment and/or harm element in the event this procedure is implemented? Please provide rationale.

Response:

As a general principle, consumer protection provisions are not typically set out in detail within the various Retail Market Procedures. Instead, these protections are primarily governed through robust supplier licence obligations, including Guaranteed Standards of Service (GSS), Codes of Practice (COPs), and other regulatory instruments.

This new market procedure follows the established structure used in other market procedures and incorporates consumer protection mechanisms consistent with prevailing arrangements in existing procedures applicable to customer transfers between suppliers.

Furthermore, legal and regulatory protections are embedded in the process through the requirement for a book sale and commercial agreement to accommodate issues such as debt, credit retention, customer communication, customer protection, operations of the decertifying supplier post Bulk Transfer to ensure maximum certainty for customers, the market, and the regulator.

The proposed revisions to the *MRC*, as detailed in sections 2.4, 2.5 & 2.6 of this consultation introduce provisions enabling the Exiting Supplier and/or the New Supplier to furnish the Utility Regulator (UR) with any information it deems necessary to safeguard consumers interests, both prior to and following the initiation of *MP NI 40*. This framework offers a means of securing any additional assurances that may be required for a particular set of circumstances, while supplementing the existing licence obligations that both suppliers are expected to meet throughout the process.

These safeguards, combined with existing licence obligations, provide a robust framework for consumer protection, and there is not a requirement to incorporate additional provisions in *MP NI 40*.

Q4: Are there any other factors in relation to this proposal that you think should be considered? Please provide rationale.

Response:

In the consultation paper summation of the Impact Assessments UR mentions that there can be socialised costs that could be passed onto the wider NI customer base via *PSO* as is the case with *SOLR* events. (para 2.23)

While this was not explicitly included in the list of questions, Electric Ireland would like to note for completeness that this would be a new market procedure that provides additional optionality to all suppliers and all customers. Electric Ireland considers the level of potential costs associated with NIE Networks' involvement in this procedure as relatively modest. On this basis, Electric Ireland does not believe a separate provision is required within the NIE Networks licence for potential cost recovery related to this new procedure.

Any socialised costs that may arise from NIE Networks' involvement in the development or implementation of *MP NI 40* could appropriately be recovered through the *PSO* mechanism, in line with the provisions of *Condition 33* of the NIE distribution licence.

Q5: Do you have any other comments in relation to the proposal?

Response:

No other comments.

Electric Ireland appreciates the opportunity to contribute to this consultation and remains committed to supporting the continued development of a fair, efficient, and resilient electricity market in Northern Ireland.

[end].