

Electric Ireland Third Party Intermediaries (TPIs) in the Energy Market UR Consultation Resp

	Question
1	Do you agree with our proposed strategic aim, objectives and scope in relation to this TPI project? If no, please provide reasoning.
2a	Do you think development, publication and promotion of relevant Retail TPI information on the UR's website would be beneficial to consumers? Please provide a clear rationale for your answer.
2b	Do you suggest any alternative/additional methods of sharing this TPI information with non-domestic consumers? If so, please describe.

3a	Would you consider enhanced monitoring and reporting (to include i) regular supplier information submission and ii) a programme of engagement) to be beneficial in ensuring that consumers are adequately protected? Please provide clear rationale for your answer.
3b	Should a regular supplier information submission be voluntary or implemented through a licence requirement?
3c	Can you suggest any alternative methods of monitoring and reporting TPI activity?
3d	Would it be beneficial for the TPI information gathered by UR to be anonymised and published (in addition to being used internally by UR for market monitoring)?

4a	Are you of the view that TPI commissions being published would increase levels of transparency and benefit consumers? Please provide clear rationale for your answer.
4b	Which publication format should be used for Third Party Costs: i) consumer bills and on request, ii) a customer's Principal Terms and upon request iii) both i and ii or iv) another publication? Please provide information to support your answer.
4c	Which publication cost structure would be most beneficial to consumers: i) a lump sum for contract duration ii) a cost per unit iii) combined approach (both i&ii) iv) other? Please provide information to support your answer.
4d	What changes to billing systems—or wider systems and processes - would be required in order to enable the publication of TPI commissions on a customer's bill? Do respondents have any view of the difficulty and cost of these changes?
5a	Do you agree with the exclusion of the potential measures (4-6) for the reasons described above? If not, please provide reasoning.
5b	Are there any alternative measures, not discussed that you think should be considered? If so, please provide a description.
6	Are you aware of any issues/concerns impacting micro/small scale generators through their arrangements with TPis? If yes, please specify.

7	Do micro/small scale generators require regulatory protection when engaging with TPIs in the energy market in Northern Ireland? Please provide any information to support your answer.
8	If you answered yes to Q7, what regulatory protections do you feel would benefit micro/small generators in Northern Ireland? Please provide examples to support your answer where necessary.
9	Do you think that any of the potential measures outlined in Section 3 in relation to Retail TPIs could or should be considered for application to Wholesale TPI operations? Please provide any information to support your answer.

Answer

Electric Ireland (EI) broadly agrees at a high level of the strategic aim, objectives and scope of the TPI project as outlined in the consultation paper, and certainly agrees with the overall aim and objective of ensuring that non-domestic consumers who engage with TPIs are adequately informed and protected throughout their dealings with TPIs, and that TPIs should be fully transparent in all their dealings with non-Domestic energy clients.

However, Electric Ireland would like to emphasise that because the relationship/original contract initially is between the TPI and their non-Domestic energy client and the TPI brings their client data to a range of energy suppliers, there is not a tied relationship between the supplier and TPI. Therefore the overall TPI review should take account of and reflect that specific TPI and non-Domestic energy client relationship. And Electric Ireland believes the onus of transparency should sit with and be the responsibility of the TPI.

Electric Ireland also believes that if one of the purposes of the overall TPI project is to support the consumer in understanding the commission payment structure that they have agreed with the TPI then the Regulator could stipulate certain criteria for Letters of Authority (LOA) e.g. LOA must state commission rate and estimated commission the TPI will receive as per example below:

Annual Consumption: 100,000 kWh

e.g. TPI Commission £0.005 per kWh

Total Estimated TPI Commission: £500 per annum

Electric Ireland would welcome this additional focus on TPIs. However following on from our opening point above, we believe any requirements for transparency and reporting of TPI information should rest solely on the side of the TPI and not on energy suppliers.

Suppliers are not best placed to report on TPI information. Transparency of commission rates is a requirement between TPI and the customer. However, Electric Ireland always endeavours to be as transparent as possible in our energy tender and customer contracting processes. If a contract requires broker commission, then the commission rate is called out in the contract to be signed by the customer.

TPIs play an important role in Energy Supply Contracting in NI. Suppliers will have their own controls in place but Electric Ireland have Energy Sales Checklists (required to be completed/signed by customer), valid LOAs (Letter of Authority), and TPI Commission Rates clearly visible in our supply contracts.

i) If the aim of the TPI review is to ensure consumers are adequately protected in their dealings with TPIs, they should be fully informed and knowledgeable about the relationship they have with the TPI. EI believe that the UR is best placed to provide guidelines to non-Domestic customers and TPIs as to how their relationship should operate. Enhanced reporting & information provision from Suppliers will not create a more transparent market for the customer as there are different charging structures applied by TPIs for different types of non-domestic consumers e.g., Mass Market and Bespoke.

To illustrate, As a supplier, Electric Ireland may receive a pricing request from a TPI, we will then submit a pricing response and be unsuccessful in the tender. If the LOA is valid then EI assumes that all is in order. If EI received LOA's from 2 different TPI's for same tender, we will contact the customer for direction as we will only provide a response to one TPI in this circumstance.

It is also worth noting that some TPIs provide other services in addition to tendering services depending on product type etc. For example, they may also offer to review and check customer bills or advise on energy efficiency measures, so this information is also other potential information the UR could gather and publish on their website for the benefit of non-Domestic customers considering engaging with TPIs.

ii) Electric Ireland feels that the UR could consider establishing a register of TPIs where they would sign up to a voluntary TPI charter of commitments thereby giving non-Domestic consumers confidence as regards independent TPI oversight. Whilst EI recognise that the UR does not have the legal vires to govern this part of the market, the UR has the trusted brand and market visibility which can be leveraged to persuade this

Electric Ireland believes that other than perhaps the number of TPIs suppliers are involved with or the number of customer contracts suppliers have via TPIs, any additional TPI information requirements and reporting should not sit with suppliers. TPIs should be regulated or managed by the UR and TPIs should provide relevant

This requirement should be placed with the TPI, and monitoring of their activity monitored and reported on by the UR or another appropriate independent body, and not the supplier.

This could be beneficial. Whilst Electric Ireland will continue to work with TPI's as we do, this additional information could be beneficial to the market and the customer base in NI as a whole.

Yes this could become best practice along with LOAs being used to outline all services being provided by TPIs. Electric Ireland incorporates TPI commission rates into consumer contracts for mass market non-Domestic consumers. Our Energy Sales Checklist that accompanies contracts below 350,000 kWh supports transparency and helps to ensure best practice in TPI Sales processes.

It is important to note the difference types of services TPIs provide depending on the consumer segment. For Mass Market / SME: TPI provides a brokerage role (as per a mortgage or insurance broker), reviews the market for the best price and options for the customer. Price is main driver in contract renewal. Broker assists in customer's decision making process. LOA should be standard, valid for 12 month period & should reference either the commission that broker receives or advises that "the broker may receive a commission in pence per kwh format or as a flat fee per site basis". If customer needs to have further clarification on what this means to them from a financial point of view, they should be able to discuss openly with the broker. For a TPI, this is low value & high number of customers.

For Groups/LEU/I&C: TPIs provide a more bespoke role on a consultant level. A financial arrangement can be agreed via consultancy fees paid directly by the customer to the broker or via commission payments which are captured in the energy rates on a pence per kwh basis. For EI, commission payments are transparent and are clearly stated on all our contracts & visible to the customer. Consultancy services can be bespoke to each customer/contract and range from contract negotiation, trading services, bill validation, ongoing contract management, account management services etc.

When reviewing the NI TPI market, the UR should be cognisant of the fact that protecting Energy Customers across the different markets (Micro/SME/Groups/I&C) require different approaches not a one size fits all approach. The NI market remains a very small market compared to the UK market and the potential to over burden the sector could result in the workload becoming too onerous for a small TPI to continue to operate to the detriment of the service they successfully provide their customer base.

Electric Ireland believes that TPI has an important role to play and will continue to play in the market and the UR is best placed to provide the appropriate incentives to achieve consumer protection goals.

As mentioned in the consultation paper publishing TPI commission rates on the customer bills is problematic for suppliers.

Electric Ireland already includes the TPI commission rate on the Supply Contract. Greater transparency through the Letter of Authority signed by the customer could be the best place to fully inform the customer.

This fully depends on the contract type, contract duration, the work carried out by the TPI i.e. contract negotiation, energy efficiency measures/energy savings advice, bill validation etc. Did the customer engage with the TPI first to avail of their services or vice versa?

This question places huge responsibility on the Supplier. Electric Ireland welcomes the requirement to support non-Domestic customers in their interaction with TPI's. The agreement between a TPI and customer however, is a commercial arrangement. The onus should be on the customer to ensure due diligence has been carried out prior to engaging or during their engagement with the TPI. The UR could perhaps have a set of 'Terms of Engagement' that are required to be signed by the TPI and non-Domestic customer as well as a Letter of Authority.

Yes

TPI/Customer Terms of Engagement/TPI Charter provided by the UR. And should sit outside of any Supplier requirements.

No. Electric Ireland doesn't engage with TPIs to acquire Microgen/SSG customers.

Although Electric Ireland doesn't engage with TPIs in this space, we welcome the regulatory protection for all customers engaging with TPIs.

N/A for Electric Ireland as not active with TPIs in the Microgen/SSG space

N/A for Electric Ireland as not active in Wholesale TPI operations