

MNI Response to the consultation on the implementation of the Retail Energy Market Monitoring (REMM) Framework

The Regulator states that you wish the level of market monitoring to be proportional, balanced and without undue burden on suppliers. Unfortunately, we fear that the REMM proposals do not provide for this and instead will add further cost to customer bills without any significant benefit being derived from the information gathered.

The Cornwall Energy report issued last November concluded that competition was working in the I&C market. We largely agree with this analysis. It is therefore difficult for us to see what benefit will come, for customers, from such a level of information which is being sought by the Regulator. It largely seems to be information for information's sake without any clear description of its value for directing intervention and actions to benefit customers.

For us, one of the most important benefits of any monitoring regime (as is currently provided) is to allow us and other external stakeholders to compare indicators, particularly prices, on a like for like basis. Given that the ROI companies are the closest and most important manufacturing competitor then we would expect that any monitoring reports from the Regulator would help inform customers through easily comparable statistics. However, there appears, for instance, to be a clear disparity in that the Regulator is asking for customer data to be reported on a volume basis whereas in the South, through CER, they are choosing specific customer types by using network codes (which are understood by many large I&C customers).

Most suppliers to our members are active in both parts of the island and will likely have already started designing and building reporting systems to meet the CER specification. Why is our Regulator not proposing a similar reporting model? Surely this would minimise supplier's costs? Both for the building and on-going reporting of data to 2 different regulators increases costs which, from experience, is always passed on to customers! It is a further cost burden on to customers already enduring the 2nd or 3rd most expensive electricity in Europe.

If, as you indicate, this is a pan-EU requirement, then we would seek assurance that any final proposals are made in the customer's interest – particularly in regards to avoiding unnecessary additional cost and ease of comparison.

26 March, 2014