P446 'Energy Price Guarantee Scheme for domestic customers'

This Report Phase Consultation was issued on 14 September 2022, with responses invited by 21 September 2022.

Consultation Respondents

Respondent	Role(s) Represented
E.ON	Supplier
Bulb Energy Ltd	Supplier
Citizens Advice	Consumer Group
ScottishPower	Supplier

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Question 1: Do you agree with the Panel's initial unanimous recommendation that P446 should be approved?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	To support the introduction of the scheme we'd support the recommendation for approval, however we'd refer you to the comments on the drafting and the questions which need answering to support Supplier delivery.
Bulb Energy Ltd	Yes	We agree with the Panel's decision so that the BSCCo is able to facilitate the EPG scheme as Scheme Administrators, reducing the cost to consumers.
Citizens Advice	Yes	We support the recommendation that P446 should be approved because it will facilitate competition (Objective C) and support the efficiency of the balancing and settlement arrangements (Objective D). This will be delivered by increased market stability through consumers increased ability to pay their energy bills, which will ensure that the balancing and settlement arrangements occur with efficiency. However, the reason might be clearer as to support the short-term operation of the energy market. This should perhaps be an additional objective that explicitly reflects scope necessary for future modifications.
ScottishPower	Yes	-

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Question 2: Do you have any comments on the redlined changes to the BSC for P446?

Summary

Yes	No	Neutral/No Comment	Other
1	3	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	14.1 (c) – the start of this sentence doesn't read right, it either needs clarifying on what needs to be saved or the sentence needs to be deleted and starting with 'each party'. 14.1 (g) – we are concerned that immediately deleting paragraph 14 upon BSCCo ceasing the role of administrator removes the obligation to participate in the scheme, the data is likely to be required (although legal text might need editing). We would prefer for the scheme paragraph to be made into a sunset clause and deleted once the scheme is no longer required but based on the bank account being empty and fully reconciled.
Bulb Energy Ltd	No	We agree with the redlined changes to the BSC for P446.
Citizens Advice	No	-
ScottishPower	No	-

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Question 3: Do you agree with the Panel's recommended Implementation Date?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	To introduce the scheme as directed no other approach can be taken
Bulb Energy Ltd	Yes	We agree with the Panel's recommended implementation date to allow the BSCCo to become the EPG Scheme Administrator as soon as possible, in time for the start of the scheme on the 1st October 2022.
Citizens Advice	Yes	-
ScottishPower	Yes	-

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Question 4: Do you agree with the Panel's initial view that P446 should not be treated as a Self-Governance Modification?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	Due to the material impacts we support an authority decision.
Bulb Energy Ltd	Yes	We agree with the Panel's view.
Citizens Advice	Yes	-
ScottishPower	Yes	-

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Question 5: Do you agree with the Panel's initial view that P446 does not impact the EBGL Article 18 Terms and Conditions related to balancing held within the BSC?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	No comments
Bulb Energy Ltd	Yes	We agree with the Panel's view.
Citizens Advice	Yes	-
ScottishPower	Yes	-

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Question 6: Will P446 impact your organisation?

Summary

Yes	No	Neutral/No Comment	Other
4	0	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	There will be operational and technical impacts; due to the urgent timings only a rough order of magnitude impact was able to be completed which indicates a high impact due to financial, system and FTE impacts.
Bulb Energy Ltd	Yes	P446 will allow us as a supplier to receive the EPG subsidy from the BSCCo, as well as reducing the likelihood of further supplier failures within the market.
Citizens Advice	Yes	The number of consumers coming to Citizens Advice for support will be dramatically reduced because their energy bills will be more manageable.
ScottishPower	Yes	P446 is a facilitating Mod that, when included with all other processes within the EPG, will have a high impact on suppliers.

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Question 7: How much will it cost your organisation to implement P446?

Summary

High	Medium	Low	None
0	0	0	3

Responses

Respondent	Response	Rationale
E.ON	-	No comments
Bulb Energy Ltd	None	-
Citizens Advice	None	-
ScottishPower	None	Looked at in isolation, P446 will have no implementation costs for us. However, the wider EPG will, particularly reconciliation and we strongly recommend those discussions take place as soon as possible.

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Question 8: What will the ongoing cost of P446 be to your organisation?

Summary

High	Medium	Low	None
0	0	1	3

Responses

Respondent	Response	Rationale
E.ON	Low	We anticipate that ongoing costs would likely be low, and be limited to FTE costs
Bulb Energy Ltd	None	-
Citizens Advice	None	-
ScottishPower	None	See response to Q7

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Question 9: Do you have any further comments on P446?

Summary

Yes	No	Neutral/No Comment	Other
2	2	0	0

Responses

Respondent	Response	Rationale
E.ON	Yes	We are seeking clarification on the following points: • Can the EPC SoS document be included as part of the legal text annex for visibility and transparency? • The Scheme Administrator is responsible for provision of reporting – how will this look, what data will it contain and who will it be sent to? We'd prefer these requirements to be codified due to the nature of the delivery and to ensure consistency and transparency • For the administration of this service we'd like a rough estimate of what will be shared or how it would be incorporated into current budgeting costs • The mod mentions EAC/AA and CCID however this is not mentioned in the legal text, for transparency we believe this should be incorporated into the legal text, can this be completed? • The solution on invoicing/payment is lacking detail of if this will be included as a line item but our assumption is this will not be the case and it will instead be communicated through the designated reporting only – please confirm our assumption is correct? • For the specific bank account how is interest on the money paid in being accounted for or will it be established in a way where interest will not be an issue? • What is the process to deal with any funds which cannot be passed to Suppliers? And also how will the bank account be closed once the scheme is closed to ensure no funds are remaining? • How will disputes be managed?

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Respondent	Response	Rationale
		• In the event of a SoLR, how will the payments to the SoLR organisation and the Supplier awarded the SoLR be dealt with? • How will the administration work for a terminated Supplier? • How will the administrator support any required reconciliation work? • Where the administrator supports consultations / changes – what timelines will the administrator follow? And will this use the modification process to consult (urgent process if required?)
Citizens Advice	Yes	We welcome the speed at which Elexon has worked to support the delivery of this important intervention.

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