

# Comments on draft revised energy agreements and licences

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## 3507 Standard Conditions of Electricity Supply Licence

Condition	Paragraph	Consumer Focus comment/ask	Rationale
22	2	<p>Only if the licensee is a Green Deal licensee can they offer a domestic supply contract to a household with a Green Deal plan. Non-GD licensee is approached by a prospective customer, they should, within a reasonable period of time after receiving the request:</p> <ul style="list-style-type: none"> <li>• establish whether or not the household is a Green Deal household</li> <li>• in the case of a Green Deal household, inform the customer that they can switch to a supplier that is a Green Deal licensee and direct them to a switching service</li> </ul>	<p>Having a Green Deal must not be a barrier to switching and Green Deal consumers must not be left hanging when trying to switch. It must be made clear to consumers with a Green Deal plan that they are able to switch supplier, subject to the new supplier being Green Deal licensee.</p>
27	6 (a) (ii)	<p>We support the covering the Green Deal charge in Fuel Direct. The maximum debt to be recovered via a consumer's benefit cheque should remain at the current maximum, which would, in future, cover debt associated with both their energy supply and the Green Deal charge.</p>	
35	2 (i)	<p>Note that estimated annual savings should include any variations resulting from the varying expected lifespan and</p>	

		associated guarantees of different products	
<b>36</b>	4 (b)	Clarify what ‘any differences in the Charges for the Supply of Electricity which apply to Customers at Green Deal Premises and Customers at premises which are not Green Deal Premises’ refers to	Customers should not face additional charges for energy supply as a result of being a Green Deal customer. Administration costs for suppliers should be covered by the Administration Fee paid to them by Green Deal providers
<b>37</b>	5 (a)	It is not clear why the level of payments expected in the coming year would be <ul style="list-style-type: none"> <li>• illustrative</li> <li>• based on previous payments</li> </ul>	This paragraph refers only to fixed interest rate scenario
	5 (d)	References to Annual Green Deal Energy Savings should clarify that these are predicted/estimated	There is no guarantee that of actual energy savings as a result of Green Deal measures and this should be recognised throughout the Green Deal
	5 (d)	Clarify “...an explanation that such fuel sources may have subsequently changed”.	It is unclear what this refers to
	12 (e)	Should also direct to debt advice services – e.g. Citizen’s Advice	

### 3508 Proposed New Gas Supply Standard Licence

Condition	Paragraph	Consumer Focus comment/ask	Rationale
<b>19B</b>	1	Define timely	Given the consumer must act within a 30 days, the licensee should be required to respond within a similar timescale
		A statement should be provided to a consumer when the	If the introduction of their Green Deal plan occurs at the

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		licensee makes a direct debit adjustment based on the expected savings related to the Green Deal plan. Where this occurs at the same time as the regular annual direct debit recalculation, the licensee should issue a statement detailing the proportion of the change resulting from the introduction of the Green Deal plan.	same time as the regular annual adjustment of direct debit payments, consumers could be confused as to the cause of the change in payment level. For instance, a consumer may find their direct debit payments going up if the annual change represents an increase greater than their expected Green Deal savings.

## 3512 Green Deal Arrangements Agreement

Section	Clause	Consumer Focus comment/ask	Rationale
1	1.1 & Part 3 Clause 10.1.4	<p><b>Debt Threshold</b></p> <p>This should specify what definition of debt is being used. This should take into account different payment methods. We support a holistic definition of debt which considers ability to pay and repayment rates.</p> <p>Provision should be made to allow the debt thresholds to be revised in response to future developments.</p>	<p>Without a standard definition, a customer's debt could be calculated differently and be subject to the supplier's particular understanding of debt. For instance, supplier may differ over what period of time the debt is recorded and debt will vary according to different payment methods will give a different impression of debt (quarterly credit customers will, as a matter of course, be 'in debt').</p> <p>Ofgem's recent consultation on the social obligations reporting suggested broadening the current measure of 'debt' to include the number of customers in arrears for longer than 91 days/13 weeks. We are content that Direct Debit customers should only be included if they have been put on a Direct Debit scheme specifically to repay a debt.</p> <p>Further, Consumer Focus is concerned that if a blanket approach is taken to exclude all consumers with a certain level of debt from applying for a Green Deal this could potentially alienate them from the process, and result in no future engagement.</p> <p>More broadly, we consider the threshold values for both domestic and non-domestic consumers to be arbitrary and require further supporting evidence. Suppliers will need to build in time for the system changes to</p>

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			ensure they are able to collect and report upon this information from the start. In this respect, we recommend that DECC takes advice from Ofgem on completion of their research on the impact of the Debt Assignment Protocol, and the factors that influence consumer decision-making. Furthermore we are aware that Ofgem is seeking to collect further information on non-domestic disconnections, and it is essential that there is a consistent approach taken by Ofgem, DECC and Green Deal providers.
3	10.1.9 (b)	Provide the details of the Green Deal Provider, including details of how to cancelling the plan	Consumers may be confused by receiving correspondence from their supplier on top of that from the Green Deal Provider at this stage and should be clearly signposted to where they can raise issues regarding the Green Deal Plan.
	15.2.1	Does the Provider contact the supplier or vice versa? This process should be made clear	It is unclear when a GDP would be aware of a change in Green Deal Bill Payer before the supplier
	15.2.3 (iv)	Further information should include, but not be limited to: <ul style="list-style-type: none"> <li>• contact details of the relevant Green Deal Provider,</li> <li>• details of early repayment</li> <li>• variations in annual payment related to the varying lifespan of measures</li> </ul>	