



The Competition & Consumer Protection Commission (CCPC) would like to thank the Commission for Energy Regulation (CER) for the opportunity to meet bi-laterally with regard to the National Smart Metering Plan (NSMP) consultations on Proposed Decisions in respect of “Empowering & Protecting Consumers” and “Regulating the Transition of Activities for Market Participants”.

As discussed at that meeting, the following points are of relevance;

#### **Cost Benefit Analysis (CBA)**

CCPC highlighted the importance of the Cost Benefit Analysis to be undertaken by CER in Quarter 3 2016. CCPC emphasised the criticality of CBA delivering a net benefit for the Irish consumer. The CCPC also queried if separate CBA for electricity and gas were going to be conducted. Considering that the proposals at present are that consumers will be paying for the capital cost of the smart metering over a period of time via a distribution charge it is vitally important that any efficiencies gained by suppliers and networks are reflected back on prices/charges to consumers.

#### **In-Home Display (IHD)**

CCPC acknowledged the role of the IHD in communicating with those consumers who otherwise won't engage with their smart bill, energy statement or Harmonised Downloadable File (HDF). The CCPC also emphasised that the IHD unit should be easy to use and understand and welcomed the fact that it will be showing real-time information.

#### **Time of Use (ToU) and Tariff Comparisons**

CCPC referenced research which shows that consumers have difficulty comparing tariffs in the contemporary world in markets such as energy, health insurance, etc. Therefore the CCPC expressed concern in relation to consumers' ability in making the right choice of tariff selection as the program proposals allow suppliers to formulate tariff structure as they wish, once they offer a standard tariff based on CER's recommended structure. This level of confusion could lead to consumer disengagement.



CCPC recognised that the CER is aware of this fact and is committed to ensuring that the introduction of ToU is managed in a way that presents the consumer with sufficient choice and flexibility yet will monitor the market to ensure that it is working for consumers. Policy should attempt to put in place measures which make it efficient and simple for the energy consumer to compare ToU tariffs. CCPC recognised the role of the proposed Standard Smart Tariff in this regard, while also noting that even this relatively simple form of tariff could be difficult to understand and compare across for some customers. CCPC acknowledged the Harmonised Downloadable File (HDF) is one tool available to customers but for those who aren't tech savvy, presentation of tariff information must be user friendly. CCPC highlighted the importance of having independent price comparison sites and trusted third parties in helping customers make good ToU tariff choices. The CCPC emphasised that ease of using the HDF to compare tariffs should be as simple a task as possible to encourage consumer engagement.

### **Non-Participation Surcharge**

CCPC questioned the thinking behind the non-participation surcharge, as outlined in the consultation and as highlighted recently in media reports. The CCPC emphasised that the focus should be on participation and delivering benefits to consumers who participate and not on penalising those household who do not participate and that if this was completed effectively there may not be a need for such a surcharge. The CCPC would suggest that further consideration of this matter may be better informed when the smart programme is further advanced and more relevant information is available.

### **Disconnections**

CCPC acknowledged CER's attempts to ensure that there aren't any less protections and safeguards in place for consumers when smart metering is introduced. CCPC expressed support for the proposed policy decision on remote disconnections but emphasised that the efficiencies envisages in the process should be reflected in the cost/charge applied to consumers in relation to disconnection/reconnection.



### **Cooling-Off Period**

CCPC also stressed the importance of suppliers' awareness that the cooling-off period is a statutory requirement under consumer law with regard to distance selling and, in an environment where increased market engagement and switching is envisaged, this may be even more relevant.

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