

Smart Metering Programme Office
Commission for Energy Regulation
The Exchange,
Belgard Square North,
Tallaght,
Dublin 24

22-01-2016

Dear Smart Metering Programme Office,

PrePayPower, as Ireland's largest prepay electricity provider, welcomes the opportunity to contribute to the Commission for Energy Regulation's Proposed Decision Paper, "Regulating the Transition Activities of Market Participants" (CER/15/273).

We note that the CER has decided to impose transitional licence conditions on the Networks businesses (for roll-out coordination) and on Suppliers (for testing to the Networks' developed plan). We remain of the view that these licence conditions are not necessary.

For example, in relation to justifying the need for the transitional Supplier licence conditions, it is stated that *"Failure of one party to meet the coordinated plan could lead to a suspension of the programme and a delay to the introduction of new customer services"* and *"Whilst the programme will seek to minimise the impact of any individual party's delay, any such issue may have implications for the reputation of the programme and could also impose unnecessary costs on other parties."* The likelihood of these risks, or the impact of them to the NSMP if they were to materialise, are not managed by the creation of a transitional licence condition. What manages these risks is appropriate transitional planning and incentives. If one supplier's smart readiness is late, the transition should be designed so that they alone bear that risk. Customers who want smart metering services would leave such a supplier for another that is ready.

Furthermore, the CER notes: *"An approach reflected in the licences of Suppliers and Shippers provides transparency to interested parties and potential new entrants to the Irish retail market."* We support such transparent regulation, but note, for example, that the approved MCRs in relation to smart metering are kept behind a password protected section of the retail market website available only to licensed, qualified suppliers. Simply making the smart metering design publicly available for parties now would achieve much more for transparency than a new licence condition.

Our response is not confidential and may be published in full. If you wish to have further communication in relation to our submission, please don't hesitate to contact me.

Yours faithfully,

Cathal Fay

