



SVP Response to the Review of Typical Domestic Consumption

Values for Electricity and Gas Customers

Consultation Paper

Reference: CER/17003

February 2017

Main comments

SVP welcome the opportunity to respond to the recent CER Consultation in relation to Typical Domestic Consumption Values for Electricity and Gas Customers.

We note the revised methodology and the recommendation that price comparison web sites provide a low, medium and high consumption value for customers. This is to enable ranking of tariffs for customers across various consumption bands.

We note and welcome that consideration is to be given to:

- a) future Inclusion of different types of customers (such as PAYG) to help customers self- identify and use a more accurate consumption value, which could potentially be incorporated into price comparison websites
- b) Analysis of two years of data rather than one year to derive mean and median values.

However, given our focus on those in the community in energy poverty, we use this opportunity to raise a number of issues.

1. The data quoted seems at odds with that in SEAI's Report 2013 - Energy in the Residential Sector. The report stated that in 2011, the "average" dwelling consumed 19,875 kWh of energy, based on climate corrected data, 4.4% below the 2010 level. This comprised 14,858 kWh (75%) direct fossil fuels **and 5,016 kWh (25%) of electricity**. CER's consultation paper states that 'the simple average across all domestic customers was also calculated and was 4,127kWh for 2015'. While there may be valid reasons for the disparity it warrants some reconciliation.
2. We also note CER's comments that 'Trends based on CER's market monitoring suggest that these figures (current industry figures) have reduced in recent years and therefore a review of the typical consumption figures and the methodology used to calculate them is merited. SEAI maintain that 'Over the period as a whole (1990 – 2011), residential electricity demand per person increased by 53% (2.1% per annum). This can be partly explained by the increasing use and size of appliances'

We agree with your statement that 'A balance will need to be made between moving to more accurate figures and promoting understanding of how the figures are calculated and how customers can identify their appropriate consumption level'.

We take this opportunity to raise awareness of the customers in energy poverty who curtail their use of electricity because they cannot afford to heat **and** eat or indeed those who do and end up in arrears.

SVP would like to acknowledge the voluntary assistance of Mr. Tom Geraghty (C Eng MIEI) in providing technical expertise and for careful consideration of the implications of the Review of Typical Domestic Consumption values for Electricity and Gas Customers.

CER's market monitoring analysis suggests that it is possible that customers with low consumption are less likely to switch supplier and are less likely to be on the best available tariff. The assessment also suggests that low consumption customers in particular may not have competitive offers available or developed for them. We feel it is extremely optimistic that through the introduction of a low and high consumption values, and the ability of price comparison web sites to provide a consistent ranking of the best available offer, customers may be in a better position to either negotiate a better deal or switch to a better offer. The CER expects that in turn suppliers may also start competing to offer tariffs for such customer groups.

We suggest that additional analysis is warranted of customers in energy poverty in terms of their consumption patterns if the energy market is to better serve this vulnerable customer group.