

**To: All holders of an electricity supply licence**

**Electricity Act 1989  
Section 11A(1)(b)**

**Modification of the standard conditions of all electricity supply licences**

1. Each of the licensees to whom this document is addressed has a supply licence which has been granted or treated as granted under 6(1)(d) of the Electricity Act 1989 (the Act).
2. Under section 11A(2) of the Act the Gas and Electricity Markets Authority ('the Authority')<sup>1</sup> gave notice on 1 September 2020 ('the Notice') that we propose to modify standard condition 22G (Requirements for Restricted Meters). We stated that any representations to the modification proposal must be made on or before 2 October 2020.
3. A copy of the Notice was sent to the Secretary of State in accordance with section 11A(4)(b) of the Act, and we have not received a direction that the change should not be made.
4. We received 19 responses to the Notice, which we carefully considered. We have placed all non-confidential responses on our website. Our response to these comments is set out at the accompanying letter.
5. We are making these licence changes to extend the current protections for restricted meter customers to 30 June 2025. We have also included a provision to allow us to extend these provisions again by letter if necessary.
6. In June 2020, the Government published its response to the 2019 consultation on the introduction of a new regulatory framework for energy suppliers to complete the smart meter rollout post-2020. After a 6-month extension to the existing obligation, a new 4-year framework will be implemented from July 2021, which will set minimum annual installation targets for energy suppliers, subject to an annual tolerance level, to reach market-wide coverage of smart meters. The sunset clause in SLC 22G was premised on the completion of the rollout by the original end-date of 31 December 2020 and therefore needs to be extended to align with the new framework.
7. The detailed reasons for making these modifications has been published by the Authority alongside this notice.
8. The effect of the modification(s) will be to:
  - Continue to allow consumers with restricted meters to switch to a single rate tariff of any supplier who has over 50,000 electricity customers. This will allow these consumers to more easily shop around for a better deal. (SLC 22G.1 and SLC 22G.2).
  - Extend the obligations on suppliers to provide information to consumers to aid engagement. (SLC 22G.9 and SLC 22G.10).

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<sup>1</sup> The terms "the Authority", "we" and "us" are used interchangeably in this document.

- Extend the powers for Citizens Advice and Citizens Advice Scotland to request information from suppliers. (SLC 22G.11).
9. Where an application for permission to appeal our decision is made to the Competition and Markets Authority (CMA) under section 11C of the Act, Rule 5.7 of the Energy Licence Modification Appeals: Competition and Markets Authority Rules<sup>2</sup> requires that the appellant must send to any relevant licence holders who are not parties to the appeal a non-sensitive notice setting out the matters required in Rule 5.2. The attached Schedule 2 provides a list of the relevant licence holders in relation to this modification. Section 11A(10) of the Act sets out the meaning of 'relevant licence holder'.

Under the powers set out in section 11A(1)(b) of the Act, we hereby modify the standard licence conditions for all electricity supply licences in the manner specified in attached Schedule 1. This decision will take effect from 0.01 on **27 December 2020**.

This document is notice of the reasons for the decision to modify the electricity supply licences as required by section 49A(2) of the Act.

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**Anna Rossington**  
**Deputy Director, Retail**  
**Duly authorised on behalf of the**  
**Gas and Electricity Markets Authority**

**30 October 2020**

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<sup>2</sup> CMA70 [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/655601/energy-licence-modification-appeals-rules.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/655601/energy-licence-modification-appeals-rules.pdf)

## **Schedule 1 – modifications to the standard conditions of all electricity supply licences**

### **Condition 22G. Requirements for Restricted Meters**

#### **Obligation to make available Relevant Tariffs**

- 22G.1 Subject to paragraphs 22G.2 and 22G.3 and its obligations under condition 22 (Duty to offer and supply under Domestic Supply Contract), the Relevant Licensee must make all Relevant Tariffs available immediately for each Relevant RMI Customer to enter into a Domestic Supply Contract.
- 22G.2 Where a Relevant RMI Customer requests a Relevant Tariff and the Relevant Licensee is unable to make that Relevant Tariff available immediately, the Relevant Licensee must ensure that contractual arrangements are in place so that, as from the date a new Domestic Supply Contract comes into effect, the terms of that contract provide that the Relevant Tariff will apply retrospectively as from an earlier date which:
- (a) is commensurate with the period of delay in making the Relevant Tariff available; and
  - (b) takes into account the period of time the Relevant Licensee has been responsible for supplying the Relevant RMI Customer's premises.
- 22G.3 The Relevant Licensee must not make their compliance with paragraph 22G.1, or any Contract that is or may be concluded as a result of complying with paragraph 22G.1, conditional upon the Relevant RMI Customer changing their existing Relevant Restricted Metering Infrastructure, or incurring any additional costs or any other financial charge associated with keeping their existing Relevant Restricted Metering Infrastructure.
- 22G.4 The Relevant Licensee may apply to the Authority to request a direction concerning the compliance with paragraph 22G.1 where, due to material technical reasons which cannot be resolved within a reasonable period, the Relevant Tariffs cannot be made available to one or more Relevant RMI Customers.
- 22G.5 Where the Relevant Licensee works in partnership with a White Label Tariff Provider, with a standalone IT platform, and the White Label Tariff Provider supplies electricity to fewer than 50,000 Domestic Customers, the Relevant Licensee may apply to the Authority for a direction concerning its compliance with paragraph 22G.1 in respect of the White Label Tariff Provider.
- 22G.6 If the Authority has given a direction to the Relevant Licensee pursuant to paragraphs 22G.4 or 22G.5, the Relevant Licensee is not required to comply

with paragraph 22G.1 to the extent set out in such direction but is required to comply with any alternative obligations specified by the Authority.

- 22G.7 The Relevant Licensee must comply with paragraphs 22G.1 and 22G.2 from 1 September 2017 until ~~31 December 2020~~ 30 June 2025, unless the Authority specifies a later date by publishing a statement in Writing.
- 22G.8 For the purposes of paragraphs 22G.1 to 22G.7, where there are any Affiliate Electricity Licensees, the Relevant Licensee and all Affiliate Electricity Licensees are treated as one and the same Retail Electricity Supplier.

### **Obligation to provide information**

- 22G.9 The Relevant Licensee must provide the Specified Information to each Relevant RMI Customer in each Relevant RMI Customer's Bill, Domestic Statement of Renewal Terms, or other regular written correspondence with the Relevant RMI Customer, in a manner designed to promote positive engagement (which may be specified by the Authority).
- 22G.10 The licensee must use all reasonable endeavours to provide each RMI Customer supplied by the licensee with the RMI Customer Information in a timely manner after the RMI Customer has submitted a request for, or other relevant inquiry concerning, any of the RMI Customer Information.
- 22G.11 The licensee must provide the Relevant Citizens Advice Body with information concerning RMI Customers' metering infrastructure in a timely manner after the Relevant Citizens Advice Body has submitted a request and in such format specified by the Relevant Citizens Advice Body.
- 22G.12 The Relevant Licensee must comply with paragraph 22G.9 from 1 September 2017 until ~~31 December 2020~~ 30 June 2025, unless the Authority specifies a later date by publishing a statement in Writing.
- 22G.13 The licensee must comply with paragraphs 22G.10 and 22G.11 from 15 December 2016 until ~~31 December 2020~~ 30 June 2025, unless the Authority specifies a later date by publishing a statement in Writing.
- 22G.13A The power to specify a later date in paragraph 22G.7, 22G.12 and 22G.13 may be exercised by the Authority on more than one occasion (before, or on, the expiry of any later date specified by the Authority).

### **Reporting obligation**

- 22G.14 The licensee must give the Authority any Information that it reasonably requests about the licensee's compliance with paragraphs 22G.1 to 22G.6 and 22G.9 to 22G.11 (as applicable) as soon as reasonably practicable after receiving a request from the Authority.

22G.15 The licensee must give the Authority any Information that it reasonably requests to assess the impact and effectiveness of the obligations contained in paragraphs 22G.1 to 22G.6 and 22G.9 to 22G.11 (as applicable) as soon as reasonably practicable after receiving a request from the Authority.

## Definitions for condition

**Annual Consumption Breakdown** means a breakdown of the Annual Consumption Details by each Consumption Window for which data is recorded.

**Consumption Window** means each separate period within a total period of 24 hours in which electricity consumption was recorded and charged at a distinct Unit Rate.

**Economy 7 Metering Infrastructure** means one or more Electricity Meters installed in the same premises whereby, in each period of 24 hours:

- (a) the peak electricity consumption level is recorded during seventeen 'day/normal' hours and the off-peak electricity consumption level is recorded during seven 'night/low' hours; or
- (b) if any Electricity Meter is located in the South Scotland Distribution Area and the peak electricity consumption level is recorded during 15.5 'day/normal' hours and the off-peak electricity consumption level is recorded during 8.5 'night/low' hours',

but in each of the above cases excluding any Electricity Meter (i) with a third (electric heating) register, in addition to the 'day/normal' and 'night/low' registers; or (ii) where part of the off-peak period occurs between 1200 and 1630 (with the remainder of the off-peak period occurring during a night-time period).

**MPAN** means the Meter Point Administration Number, as the reference number used to uniquely identify electricity supply points in Great Britain.

**Prepayment Metering Infrastructure** means one or more Electricity Meters installed in the same premises operating in a mode which requires a customer to pay charges in advance.

**Relevant Citizens Advice Body** means Citizens Advice or Citizens Advice Scotland (as applicable).

<b>Relevant Licensee</b>	means a licensee that supplies electricity to 50,000 or more Domestic Customers.
<b>Relevant Restricted Metering Infrastructure</b>	means Restricted Metering Infrastructure, excluding any Economy 7 Metering Infrastructure, Smart Metering Infrastructure or Prepayment Metering Infrastructure.
<b>Relevant RMI Customer</b>	means a Domestic Customer receiving the supply of electricity through Relevant Restricted Metering Infrastructure.
<b>Relevant Tariff</b>	means a Tariff which continues to be capable of being entered into by a Single-Rate Customer in the same Region as the Relevant RMI Customer, for the supply of electricity from the supplier, provided that a Tariff shall only be a Relevant Tariff in respect of an individual RMI Customer where that Relevant RMI Customer meets all the terms, conditions and requirements of the Tariff that do not relate to the Relevant Restricted Metering Infrastructure.
<b>RMI Customer</b>	means a Domestic Customer receiving the supply of electricity through Restricted Metering Infrastructure, excluding any Economy 7 Metering Infrastructure and Smart Metering Infrastructure.
<b>RMI Customer Information</b>	means a RMI Customer's meter type; name of their current Tariff (including method of payment); Annual Consumption Details; MPAN; Annual Consumption Breakdown; all Standing Charges and Unit Rates for that RMI Customer that apply to each Consumption Window; the length of time and the hours within which time is recorded for each Consumption Window; and contact details for Citizens Advice.
<b>Restricted Metering Infrastructure</b>	means (a) one Electricity Meter whereby electricity consumption in two or more Consumption Windows is separately recorded on two or more registers; or (b) two or more Electricity Meters (each with one or more registers) installed in the same premises whereby electricity consumption for distinct purposes is separately recorded on such Electricity Meters.
<b>Single-Rate Customer</b>	means a Domestic Customer receiving the supply of electricity through Single-Rate Metering Infrastructure.
<b>Single-Rate Metering Infrastructure</b>	means any Electricity Meter installed in a particular premise whereby electricity consumption is recorded on one register and through which electricity is continuously provided, and excludes Restricted Metering Infrastructure.
<b>Smart Metering Infrastructure</b>	means (a) any type of Electricity Meter which forms part of a Smart Metering System; and (b) an Electricity

Meter, either on its own or with an ancillary device, which has functionality similar to a Smart Metering System in respect of elements other than the measurement of consumption for multiple time periods and/or providing remote access to data.

**South Scotland PES Area**

means the geographical area which corresponds with the distribution services area described in Annexe 3 (Scottish Distribution Licence) of the Scheme made by the Secretary of State on 28 September 2001 pursuant to paragraphs 1, 13 and 17 of Schedule 7 to the Utilities Act 2000, in respect of the licences granted to Scottish Power UK PLC and Manweb PLC under sections 6(1)(a) to (c) and 6(2) of the Electricity Act 1989.

**Specified Information**

means (a) a statement that the Relevant RMI Customer is able to change their electricity supplier or change to a Relevant Tariff without having to change, nor incurring any costs or any other financial charge associated with replacing, their Electricity Meter; and (b) contact details for the Relevant Citizens Advice Body.

## **Schedule 2 - list of the relevant licence holders in relation to this modification**

Electricity licence holders are listed at: <https://www.ofgem.gov.uk/publications-andupdates/all-electricity-licensees-registered-addresses>