4 August 2015

Dear sir/madam

Please find the response from the Energy Special Knowledge Group from The Chartered Institute of Procurement & Supply on the CMA Energy Market investigation and notice of possible remedies.

CIPS is the leading global professional body for the procurement and supply management profession, with a community of 114,000 in 180 countries and experts in many sectors. We are a not-for-profit and exist for the public good.

CIPS believes this to be one of the most important consultations in recent years and has provided detail and solutions in the following areas:

- Remedy 1 – Introduction of a new standard condition to electricity generators’, suppliers’, interconnectors’, transmission and distribution licences to require that variable transmission losses are priced on the basis of location in order to achieve technical efficiency.

- Remedy 6 – Ofgem to provide an independent price comparison service for domestic (and microbusiness) customers.

- Remedy 7 – Measures to reduce actual and perceived barriers to accessing and assessing information in the SME retail energy markets.

- Remedy 7a – Introduction of a new requirement in the licences of retail energy suppliers to provide price lists for microbusinesses on their own websites and to make this information available to PCWs.

- Remedy 7b – Introduction of rules governing the information that TPls are required to provide to microbusiness customers.

- Remedy 8 – Introduction of a new requirement into the licences of retail energy suppliers that prohibits the inclusion of terms that permit the auto-rollover of microbusiness customers on to new contracts with a narrow window for switching supplier and/or tariff.
- Remedy 9 – Measures to provide either domestic and/or microbusiness customers with different or additional information to reduce actual or perceived barriers to accessing and assessing information.

- Remedy 10 – Measures to prompt customers on default tariffs to engage in the market.

- Remedy 11 – A transitional 'safeguard regulated tariff' for disengaged domestic and microbusiness customers.

The Energy SKG is a collection of procurement professionals from the energy sector who have volunteered their time as members of CIPS to promote best practice procurement and supply management, and develop tools and templates, viewpoints and statements on the industry.

Kind regards

Bruce Toper  
Chair of CIPS Energy Special Knowledge Group  
Director of Energy Knowhow Limited

Martin Rawlings FCIPS  
Member of CIPS Energy Special Knowledge Group  
Chairman – Blizzard Utilities Limited

Stephen Jones  
Member of CIPS Energy Special Knowledge Group  
Purchasing Director – Braas Monier Building Group